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# INDEX AND SUMMARY OF H. R. 12

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jan. 5, 1955   | Rep. Cooley introduced H.R. 12 which was referred to the House Committee on Agriculture. Print of bill as introduced.                                                                                                                                                                                                                                                                                                                          |
| Mar. 8, 1955   | House committee ordered H.R. 12 reported.                                                                                                                                                                                                                                                                                                                                                                                                      |
| Mar. 10, 1955  | House committee reported H. R. 12 with amendment. House Report 203. Print of bill and report.                                                                                                                                                                                                                                                                                                                                                  |
| Mar. 14, 1955  | House received minority report on H. R. 12. House Report 203, Pt. 2. Print of report.                                                                                                                                                                                                                                                                                                                                                          |
| Mar. 15, 1955  | Committee print issued by House Committee on Agriculture, "Price Support Program on Basic Commodities."                                                                                                                                                                                                                                                                                                                                        |
| April 20, 1955 | House Rules Committee announced it would consider H.R. 12 on April 21, 1955.                                                                                                                                                                                                                                                                                                                                                                   |
| April 21, 1955 | House Rules Committee considered but deferred action on H. R. 12.                                                                                                                                                                                                                                                                                                                                                                              |
| April 27, 1955 | House Rules Committee granted open rule for debate.                                                                                                                                                                                                                                                                                                                                                                                            |
| April 28, 1955 | House Rules Committee reported resolution for consideration of H. R. 12. H. Res. 224, H. Report 451. Print of resolution and report.                                                                                                                                                                                                                                                                                                           |
| May 3, 1955    | House began and concluded general debate on H. R. 12.                                                                                                                                                                                                                                                                                                                                                                                          |
| May 4, 1955    | House began debate on H. R. 12.                                                                                                                                                                                                                                                                                                                                                                                                                |
| May 5, 1955    | House passed H. R. 12 with amendments.                                                                                                                                                                                                                                                                                                                                                                                                         |
| May 9, 1955    | H. R. 12 referred to Senate Agriculture and Forestry Committee. (For print of bill as referred see Feb. 10, 1956).                                                                                                                                                                                                                                                                                                                             |
| May 17, 1955   | Sen. Langer requested opportunity to vote on H. R. 12 before adjournment of Congress.                                                                                                                                                                                                                                                                                                                                                          |
| May 18, 1955   | Senate Agriculture and Forestry Committee voted to begin hearings.                                                                                                                                                                                                                                                                                                                                                                             |
| Jan. 9, 1956   | Both Houses received President's farm message. House Document 285. Print of document.                                                                                                                                                                                                                                                                                                                                                          |
| Jan. 17, 1956  | Committee print draft of bill prepared by Senate Agriculture and Forestry Committee to illustrate suggestions made by witnesses at hearings which were held from Oct. 19 to Nov. 24, 1955.<br>Rep. Hope introduced H.R. 8543 which was referred to House Committee on Agriculture. Print of bill as introduced.<br>Sen. Aiken introduced S. 2949 which was referred to Senate Agriculture and Forestry Committee. Print of bill as introduced. |





- , Feb. 6, 1956 Committee print prepared by Senate Agriculture and Forestry Committee. Analysis of print prepared by Office of General Counsel. Copy of committee print and analysis.
- , Feb. 10, 1956 Senate committee reported S. 3183. Senate Report No. 1484 (report dated Feb. 16, 1956). Print of bill and report. Senate committee also reported H. R. 12 without recommendation. No report issued - reported in order that H. R. 12 could be placed on Senate calendar. Print of H. R. 12 as referred May 9, 1955 and reported February 10, 1956. Summary of S. 3183 as prepared by General Counsel.
- , Feb. 22, 23, 24,  
27, 28, 29,  
Mar. 1, 2, 5, 6,  
and 7, 1956 Senate debated general features of S. 3183.
- , Mar. 8, 1956 Senate began debate on S. 3183.
- , Mar. 9, 1956 Senate continued debate on S. 3183.
- , Mar. 12-16, 1956 Senate continued debate on S. 3183.
- , Mar. 19, 1956 Senate passed with amendment H. R. 12, with language of S. 3183 inserted. Senate conferees appointed. S. 3183 indefinitely postponed due to passage of H. R. 12. Print of bill as passed. Summary and analysis of bill as passed by Senate.
- , Mar. 22, 1956 Senate conferees met in executive session with representatives of the House Committee on Agriculture.
- , Mar. 26, 1956 House conferees appointed.
- , Mar. 27, 28,  
29, 1956 Conferees met in executive sessions.
- , April 9, 1956 House received conference report. House Report No. 1986. Print of conference report.
- , April 10, 1956 Remarks of Rep. Burdick.
- , April 11, 1956 Both Houses agreed to conference report.
- , April 16, 1956 President vetoed H. R. 12. House Document 380. Print of veto message.
- , April 18, 1956 House sustained veto of H. R. 12.

Amendments: Copies of all printed amendments which were received are included in this history.

I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I will try to write to you more often. I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I will try to write to you more often.

[illegible][illegible]

# H. R. 12

IN THE HOUSE OF REPRESENTATIVES

January 1, 1980

Mr. [Name] introduced the following bill; which was read twice and passed

## A BILL

To amend the Commercial Code to read as follows, and for other purposes.

1. That the Commercial Code be amended to read as follows:
2. (a) The Commercial Code shall be amended to read as follows:
3. (b) The Commercial Code shall be amended to read as follows:
4. (c) The Commercial Code shall be amended to read as follows:
5. (d) The Commercial Code shall be amended to read as follows:
6. (e) The Commercial Code shall be amended to read as follows:
7. (f) The Commercial Code shall be amended to read as follows:
8. (g) The Commercial Code shall be amended to read as follows:





# H. R. 12

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1955

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That paragraph (6) of subsection (d) of section 101, of  
4       the Agricultural Act of 1949, as amended, is amended to  
5       read as follows: "the level of support to cooperators shall be  
6       90 per centum of the parity price for the 1955, 1956, and  
7       1957 crops of any basic agricultural commodity with respect  
8       to which producers have not disapproved marketing quotas."

84TH CONGRESS  
1ST Session

# H. R. 12

## A BILL

To amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

By Mr. COOLEY

JANUARY 5, 1955

Referred to the Committee on Agriculture





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

March 9, 1955  
March 8, 1955  
84th-1st, No. 42

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HIGHLIGHTS: House committee ordered reported 90% price supports bill, with amendments to establish two-price wheat plan, provide 80-90% dairy price supports, extend brucellosis and school-lunch program. House committee reported CCC fungible goods claims bill. Sen. Ellender introduced bills to continue livestock loan program and to dispose of LU lands. Senate committee reported cotton allotment increase bill.

## HOUSE

1. PRICE SUPPORTS. The Agriculture Committee ordered reported, by a vote 23 to 12, H. R. 12, to reestablish 90% price supports for basic commodities. The "Daily Digest" states that amendments were adopted which would make a part of the reported bill the provisions of H. R. 2598, as amended, to establish a two-price plan for wheat; provide for 80-90% price supports on dairy products, extend the brucellosis program, and extend the school-lunch program with appropriations therefor of \$75 million instead of \$50 million (p. D176).
2. CCC CLAIMS. The Agriculture Committee reported without amendment H. R. 1831, to amend the CCC Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from CCC claims (H. Rept. 154) (p. 2141).
3. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 4046, a bill to abolish the Old Kasaan National Monument, Alaska, and make the lands thereof a part of the Tongass National Forest (H. Rept. 155) (p. 2141).



4. ALASKA WATER RESOURCES. The Interior and Insular Affairs Committee passed over, without prejudice, H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (p. D177).
5. PERSONNEL. The Post Office and Civil Service Committee appointed a subcommittee (Rep. Dowdy, chrmn.) on H. R. 3948, to clarify the Federal Employees Uniform Allowance Act relative to enactment date (p. D177).
6. CONGRESSIONAL RECORD AND REPORTS. Rep. Patman urged improvement in the typography of committee reports and that the Congressional Record be printed in a more readable form, stated that "A suggestion that Congress should furnish every person receiving the Congressional Record with a reader's magnifying glass in order to protect his eyes would not be unreasonable," and inserted correspondence and statements on this subject (pp. 2127-8).
7. FORESTRY. Received an Ariz. Legislature memorial relative to timberland in the Coconino and Sitgreaves National Forests in Ariz. (p. 2144).
8. LANDS; MISSOURI BASIN. Received a S. Dak. Legislature memorial relative to the land-acquisition program in the Missouri River Basin (p. 2144).
9. PERSONNEL. Received a Little Rock, Ark., Corps of Engineers petition urging approval of a 10% pay increase for Federal employees (p. 2144).
10. ADJOURNED until Thurs., Mar. 10 (p. 2141).

SENATE

11. COMMODITY EXCHANGE FEES; SURPLUS COMMODITIES; FARM CREDIT. Passed without amendment S. 1051, to amend Sec. 8A (4) of the Commodity Exchange Act so as to authorize increased fees and charges for CEA registrations and renewals thereof and for copies of registration certificates (p. 2106);  
S. 942, to repeal Public Law 820, 80th Congress, which provides for a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (p. 2105); and S. 941, to amend Sec. 13 of the Federal Farm Loan Act so as to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (p. 2086).
12. COTTON ALLOTMENTS. The Agriculture and Forestry Committee reported with amendment H. R. 3952, to amend the Agricultural Adjustment Act of 1938 so as to provide for an increase in the 1955 national cotton acreage allotments of approximately 258,000 acres (S. Rept. 47)(p. 2073).
13. FOREST LANDS; MINERALS. At the request of Sen. Ellender, S. 687, to authorize the Secretary of Agriculture to protect timber and other surface values in national forests from invalid mining claims, was transferred from the Agriculture and Forestry Committee to the Interior and Insular Affairs Committee (p. 2079).  
Received an Ariz. Legislature memorial favoring U. S. purchase of timberland in the Coconino and Sitgreaves national forests, Ariz., from the Aztec Land & Cattle Company (p. 2069).







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued March 11, 1955  
For actions of March 10, 1955  
84th-1st, No. 43

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HIGHLIGHTS: House committee reported 90% price-support bill. House committee voted to report donor surplus property bill. Rep. Cannon urged action to increase farm income. Sen. Humphrey urged less milk-price control in milksheds. Senate debated tax bill. Senate committee reported Federal employees' pay increase bill.

### HOUSE

1. PRICE SUPPORTS. The Agriculture Committee reported with amendment H. R. 12, to reestablish 90% price supports for basic commodities, provide a two-price plan for wheat, provide for 80-90% supports on dairy products, extend the brucellosis program, and increase the school-lunch program (H. Rept. 203)(p. 2242).
2. SURPLUS PROPERTY. The Government Operations Committee voted unanimously to report with amendments H. R. 3322, to "improve the administration of the program for the utilization of surplus property for educational and public health purposes" (p. D186).
3. MONOPOLIES. A subcommittee reported to the Judiciary Committee H. R. 3658, to amend the Clayton Act by granting a right of action to the U. S. to recover damages under the antitrust laws (p. D187).
4. LOYALTY DAY. The Judiciary Committee reported without amendment H. J. Res. 184, to designate May 1, 1955, as Loyalty Day (H. Rept. 199)(p. 2242).
5. FARM INCOME. Rep. Cannon deplored decreases in farm income and urged action on this matter (pp. 2202-3).
6. ELECTRIFICATION. Rep. Abernethy discussed progress which has been made in producing electricity from atomic energy (p. 2204).

7. RECLAMATION. Rep. Hill and others commended the accomplishments of the Bureau of Reclamation (pp. 2233-8).
8. FLAMMABLE FABRICS. Received from the Commerce Department a proposed bill to amend the Flammable Fabrics Act so as to exempt scarves which do not present an unusual hazard; to Interstate and Foreign Commerce Committee (p. 2242).
9. RESEARCH APPROPRIATIONS. Received from the Association of Southern Agricultural Workers, Forestry section, a petition for increased appropriations for agricultural research (p. 2246).
10. ADJOURNED until Mon., Mar. 14 (p. 2242). The Appropriations Committee was authorized to report the Treasury-Post Office bill during adjournment (p. 2203). The Committee was authorized to report the State, Justice, Judiciary bill on Apr. 13 and have it debated that day. Rep. McCormack announced the legislative program for next week as follows: Mon., Judiciary investigations; Tues., Consent and Private Calendars, Treasury-Post Office appropriation bill; Wed. and Thurs., rubber-plants disposal and perhaps the donor surplus-property bill; Fri., second supplemental appropriation bill for 1955 (p. 2231).

#### SENATE

11. MILK MARKETING. Sen. Humphrey criticized the extent of price control in connection with milk marketing orders in the milksheds and recommended additional opportunities for the Midwest (pp. 2165-7).
12. TRADE AGREEMENTS. Sen. O'Mahoney recommended an amendment to H. R. 1, the trade agreement bill, to require congressional approval before an agreement becomes effective (pp. 2155-6).  
Sen. Malone inserted a Nev. Legislature resolution opposing the trade-agreements program (pp. 2164-5).
13. ROADS. Sen. Byrd inserted various statements discussing the needs for additional roads and suggesting programs for this purpose (pp. 2169-73).
14. PERSONNEL. The Post Office and Civil Service Committee reported with amendment S. 67, to increase the pay of Federal employees (S. Rept. 58)(p. 2151).
15. TRAVEL EXPENSES. Both Houses received from the Budget Bureau a proposed bill to amend Sec. 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses; to Government Operations Committees (pp. 2146, 2242).
16. TAXATION. Began debate on H. R. 4259, to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a \$20 credit against the individual income tax for each personal exemption (pp. 2173-99). This bill as reported would delete the \$20 tax credit provision. Received the minority report on the bill (pt. 2 of S. Rept. 36)(p. 2151).
17. NOMINATION. The Government Operations Committee ordered favorably reported the nomination of Joseph Campbell to be Comptroller General of the U. S. (p. D183).
18. MONOPOLIES. The Rules and Administration Committee reported without amendment S. Res. 61, authorizing a study of the antitrust laws and their administration (S. Rept. 50) (p. 2150).



## PRICE SUPPORT PROGRAMS FOR BASIC COMMODITIES, WHEAT, AND DAIRY PRODUCTS

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MARCH 10, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed with illustrations

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Mr. COOLEY, from the Committee on Agriculture, submitted the following

### REPORT

[To accompany H. R. 12]

The Committee on Agriculture, to whom was referred the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Following section 1 of the bill, add the following:

SEC. 2. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by changing the designation thereof to read as follows: "TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES"; (2) by changing the designation of subtitle D thereof to read as follows: "SUBTITLE E—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS"; and (3) by inserting after subtitle C a new subtitle D, as follows:

#### "SUBTITLE D—WHEAT MARKETING CERTIFICATES

##### "LEGISLATIVE FINDINGS

"SEC. 380a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens, interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing



wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided under the marketing certificate plan set forth in this subtitle.

#### "DOMESTIC FOOD QUOTA

"SEC. 380b. Not later than July 1 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States during such marketing year.

#### "APPORTIONMENT OF DOMESTIC FOOD QUOTA

"SEC. 380c. (a) The domestic food quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the total production of wheat in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period. The reserve quota set aside herein for apportionment by the Secretary shall be used to establish quotas for counties, in addition to the county quotas established under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat during the five calendar years immediately preceding the calendar year in which the quota is proclaimed.

"(b) The State domestic food quota for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c), shall be apportioned by the Secretary among the counties in the State on the basis of the total production of wheat in each county during the five calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period.

"(c) The county domestic food quota for wheat shall be apportioned by the Secretary, through the local committees, among the farms within the county on which wheat has been seeded for the production of wheat during any one or more of the three calendar years immediately preceding the calendar year in which the marketing year for which the quota is proclaimed begins, on the basis of the normal yield of the acreage planted to wheat during such three-year period. The reserve provided under subsection (b) shall be used to adjust farm quotas which the county committee determines to be inequitable on the basis of tillable acres, crop-rotation practices, type of soil, and topography.

#### "MARKETING CERTIFICATES

"SEC. 380d. (a) The Secretary shall prepare for issuance in each county marketing certificates aggregating the amount of the county domestic food quota. Such certificates shall be issued to cooperators in an amount equal to the domestic food quota established for the farm pursuant to the applicable provisions of section 380c of this Act. The marketing certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of marketing certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell marketing certificates in such quantities as may be required to persons processing wheat into food products. Marketing certificates shall be transferable only in accordance with regulations issued by the Secretary.

"(b) Whenever a domestic food quota is proclaimed for any marketing year pursuant to section 380b of this Act, the Secretary shall determine and proclaim for such marketing year (1) the estimated parity price and the estimated farm price for wheat, and (2) the value of the marketing certificate. The value of the marketing certificate shall be equal to the amount by which the estimated parity price exceeds the estimated farm price as determined herein. The value of the marketing certificate shall be computed to the nearest cent. The proclamation required by this subsection shall be made during the month of June immediately preceding the marketing year for which such domestic food quota is proclaimed.

"(e) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell marketing certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

#### "MARKETING RESTRICTIONS

"SEC. 380e. (a) Except as provided in subsection (d) hereof, all persons engaged in the processing of wheat into food products composed wholly or partly of wheat are hereby prohibited from marketing any such product for domestic food consumption or export containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this Act have been acquired by such person.

"(b) Except as provided in subsection (d) hereof, all persons are hereby prohibited from importing or bringing into the continental United States any food products containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this Act have been acquired by such person.

"(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which marketing certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter; *Provided, however,* That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of and payment for such marketing certificates as may be required, any person required to have a marketing certificate in order to market or import a food product composed wholly or partly of wheat may market or import any such commodity without having first acquired a marketing certificate.

"(e) As used in section 380e of this title, the term 'marketing' means the sale and delivery of the food product composed wholly or partly of wheat.

#### "CONVERSION FACTORS

"SEC. 380f. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

#### "CIVIL PENALTIES

"SEC. 380g. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of subsection (a) or (b) of section 380e of this Act shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

#### "ADJUSTMENTS IN DOMESTIC FOOD QUOTAS

"SEC. 380h. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any domestic food quota for wheat is increased under



this section, each farm quota for wheat shall be increased in the same ratio and marketing certificates shall be issued therefor in accordance with section 380d of this Act. In case any domestic food quota for wheat is suspended under this section, the Secretary may redetermine the value of marketing certificates issued pursuant to section 380d of this Act.

#### "REPORTS AND RECORDS

"SEC. 380i. (a) The provisions of section 373 of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

"(b) The provisions of section 373 (b) of the Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

#### "REFERENDUM

"SEC. 380j. In the referendum held pursuant to section 336 of this Act on the national marketing quota proclaimed for the 1956 crop of wheat, the Secretary shall also submit the question whether farmers favor a marketing certificate program under this subtitle in lieu of marketing quotas under subtitle B. If more than one-half of the farmers voting in the referendum favor such marketing certificate program, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, suspend the operation of such quota and a marketing certificate program shall be in effect for the 1956 and subsequent wheat crops under the provisions of this subtitle and marketing quotas and acreage allotments shall not be in effect for wheat under subtitle B.

#### "PRICE SUPPORT

"SEC. 380k. Notwithstanding any other provision of law—

"(a) Whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

"(b) The Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price-support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in wheat including exchange rates and currency regulations.

"(c) Compliance by the producer with acreage allotments, production goals, and marketing practices (excluding marketing quotas) may be prescribed and required by the Secretary as a condition of eligibility for price support and for the receipt of wheat marketing certificates."

SEC. 3. The first sentence of subsection (c) of section 201 of the Agricultural Act of 1949, as amended, is amended to read as follows: "The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at not less than 80 per centum nor more than 90 per centum of the parity price therefor."

SEC. 4. The last sentence of section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows: "For the period September 1, 1954, to June 30, 1955, not to exceed \$50,000,000, and for the period July 1, 1955, to June 30, 1957, not to exceed \$75,000,000 annually, of the funds of the Commodity Credit Corporation shall be used exclusively to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under."

SEC. 5. Section 204 (e) of the Agricultural Act of 1954, is amended to read as follows:

"As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle the Secretary of Agriculture is authorized to

transfer not to exceed \$15,000,000 for each of the two fiscal years ending in 1957 and 1958, from funds available to the Commodity Credit Corporation, to the funds appropriated to the Department of Agriculture for such fiscal years for the purpose of accelerating the brucellosis eradication program, for the purpose of increasing to not to exceed \$50 per head of cattle the amount of the indemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the Act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith. There are hereby authorized to be appropriated annually such sums as may be necessary to reimburse the Commodity Credit Corporation for expenditures pursuant to this section."

Amend the title to read:

A bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk; to authorize a domestic marketing certificate plan for wheat; and for other purposes.

#### MAJOR PROVISIONS

*Price supports for basic crops.*—Restoration for 1955, 1956, and 1957 of the 90 percent of parity price supports on 5 basic crops—wheat, corn, cotton, rice, and peanuts. This would repeal the provision of the Agricultural Act of 1954 which instituted flexible price supports for these crops at 82½ to 90 percent of parity in 1955 and permits the supports to drop as low as 75 percent of parity in 1956 and thereafter. Tobacco's 90 percent support program is automatically continued in present law.

*Dairy products.*—The minimum level for support of dairy products is placed at 80 percent of parity, instead of 75 percent under the present law. An additional \$25 million per year is authorized for the school milk program and the program is extended for an additional year. The program for the eradication of brucellosis in dairy herds is extended until June 30, 1958.

*Wheat.*—An alternative two-price system: The bill authorizes producers to hold a referendum on whether to accept the existing price-support program for wheat or a 2-price program under which wheat consumed domestically as human food would be supported at 100 percent of parity and that going into other domestic uses and into export would sell at world prices.

(A more detailed discussion of these provisions appears later in this report in the analysis of the bill.)

#### PURPOSE

This bill aims at these objectives:

1. To reverse the present recession in agriculture.
2. To prevent a possible breakdown of major operations of the overall farm program that in the past has benefited directly or indirectly 90 to 95 percent of all farmers producing crops and livestock for market.
3. To avoid unemployment among workers in the cities and the damaging impact on the whole economy that would result from continuing economic distress on the farms.
4. To assure continued abundance of food and fiber for the American people, at fair prices to consumers, and to meet the needs of national defense.



5. To maintain a level of income in agriculture that will enable farmers to conserve and improve the soil, which is the most basic and indispensable natural resource.

The committee is aware that this legislation is not of itself the complete remedy for all the ills of agriculture, nor will it bring to full realization the objectives set forth above, but the committee is convinced the provisions of this bill are essential to bolster stability in agriculture and move toward these goals while the Congress continues its work to improve the overall farm program.

#### THE FARM RECESSION

America has the most productive agriculture of all the nations. We are blessed with abundance. Our people are the best fed and best clothed. Our farmers have stocked our storehouses for our security in a troubled world. And we have food and fiber to share with other peoples, on the basis of mutually beneficial world trade.

Yet many of our farmers, in the midst of this abundance, are suffering severe hardships. They have accepted sharp reductions in income through voluntary restrictions on their crops to bring production into line with demand. These hardships are being aggravated by an unwise and dangerous Government policy of lowering the price supports on major crops (fig. 1).

FIGURE 1

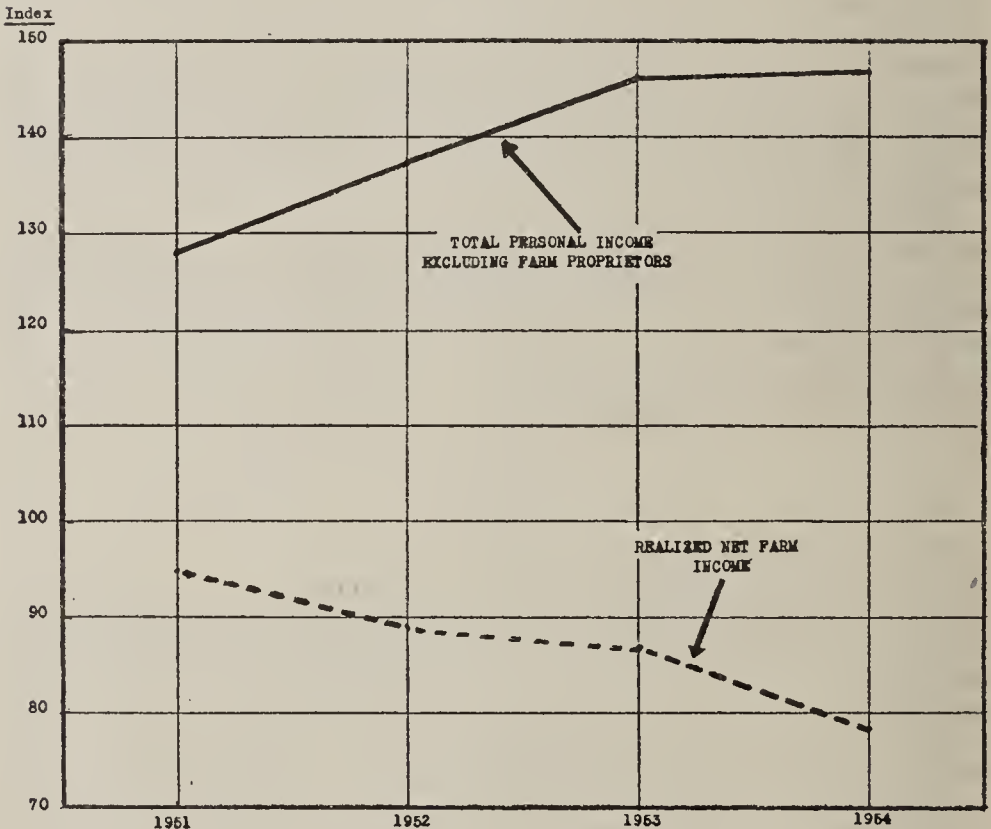


FIGURE 1.—*Total personal income and total realized net farm income, 1951–54*  
[1947–49 equals 100]

|           | Total personal income,<br>excluding<br>farm pro-<br>prietors | Realized net<br>farm in-<br>come |
|-----------|--------------------------------------------------------------|----------------------------------|
| 1951..... | 127.8                                                        | 94.8                             |
| 1952..... | 137.3                                                        | 88.9                             |
| 1953..... | 146.3                                                        | 86.9                             |
| 1954..... | 146.7                                                        | 78.4                             |

Source: Economic Indicators, Joint Committee on the Economic Report and Agricultural Marketing Service, U. S. Department of Agriculture.

These are some of the realities that confront us:

The average of farm prices is down 22 percent since February 1951.

Farm operating costs remain near their record high.

Net farm income in 1954 was 28 percent below 1947 and 10 percent below 1953. Further declines are in prospect for 1955 and 1956.

The parity ratio at 86 percent in January was the lowest since 1941.

Farm debt is increasing.

The value of agricultural assets has declined \$10,500,000,000 since January 1, 1952.

Farmers' purchasing power, in terms of 1935–39 dollars, is the lowest since 1940.

Wheat farmers in 1953 received approximately \$2,186,000,000 for their crop. Under the new farm law enacted by the last Congress, which cut their support price from 90 percent to 82½ percent, and because of curtailments of acreage to reduce wheat surpluses, they will receive for their crop this year, assuming normal yields, only about \$1,500,000,000. This will be a reduction of \$686 million or about 31 percent in the income from producing wheat.

Cotton farmers received for their 1953 crop \$3,007,000,000. Assuming normal yields on their reduced acres this year their income from cotton will be \$1,771,000,000. This will be a slash of \$1,236,000,000 or about 42 percent down from 1953.

Dairymen and other farmers face similar loss of income.

All this is taking place while other areas of our economy are experiencing unparalleled prosperity.

#### TO PREVENT PROGRAM BREAKDOWN

And the great blow to the farm economy is yet ahead—unless the Congress enacts H. R. 12 to restore 90 percent of parity price supports for 5 basic crops and thus forestall the authority of the Secretary of Agriculture, through the Agricultural Act of 1954, to reduce support levels to 82½ percent of parity in 1955 and to as low as 75 percent of parity on 1956 and thereafter (fig. 2).

FIGURE 2

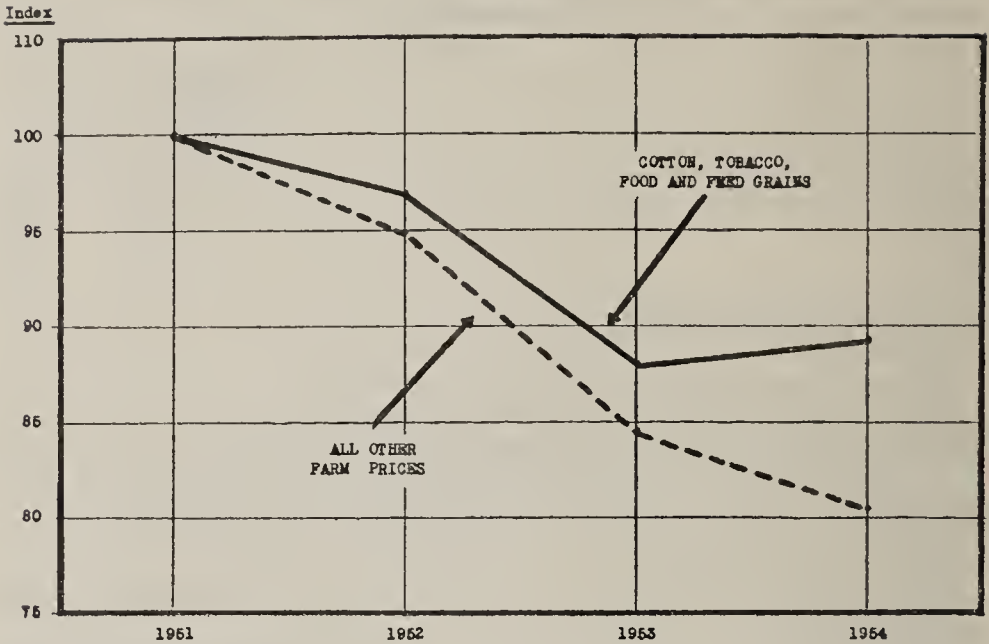


FIGURE 2.—Prices received by farmers for basic commodities, and other farm prices, 1951-54

[1951 equals 100]

|           | Cotton, tobacco, food and feed grains <sup>1</sup> | All other farm prices |
|-----------|----------------------------------------------------|-----------------------|
| 1951..... | 100.0                                              | 100.0                 |
| 1952..... | 96.9                                               | 94.8                  |
| 1953..... | 88.0                                               | 84.5                  |
| 1954..... | 89.3                                               | 80.6                  |

<sup>1</sup> Primarily basic commodities.

Source: Agricultural Marketing Service, U. S. Department of Agriculture.

The reduction of price supports is destroying farmer confidence in the program. If this should bring about farmer rejections, in their referenda, of the machinery for production adjustments, then a large segment of agriculture would be exposed to the possibilities of a disastrous collapse of prices for farm commodities in the free markets.

This chance we cannot venture to take.

#### THE ISSUE

There are two well-known ways to adjust the production of our great agricultural plant.

The first is to give agriculture the machinery to adjust its crops as any other industry is able to regulate its output to fit its markets. That is the basic concept of our agricultural law under which farmers, in their own elections, decide upon measures for fitting their production to their markets. In consideration of the value to the Nation

of this stabilization of abundance for all our citizens, the Government in past years has assured cooperating farmers 90 percent of the parity price on the basic crops.

The second way is to let prices fall so low that a sufficient number of farmers find their operations so unprofitable that production is reduced and supplies do not accumulate. This is the philosophy behind the flexible-support mechanism which, by the Agricultural Act of 1954, becomes partially effective with the 1955 crops and fully effective in 1956, along with revisions of the parity formula that will mean further support reductions for some basic crops.

The flexible mechanism, in the form of lower support prices, was applied to the dairy industry beginning in 1954 and already has brought about hardships, especially among veterans and other young farmers who in recent years have invested their resources in dairying.

Lower supports mean a drift back toward the economic unbalance that pauperized agriculture in America in the years ahead of the great depression and which in other nations has institutionalized a peasant class on the land.

The philosophy behind the flexible program is fraught with danger to the whole economy. It rests weakly upon fallacious arguments.

A great many citizens must have shared the committee's astonishment when the Secretary of Agriculture told this committee that 90 percent of parity was a wartime measure for agriculture and price supports on the basics should be on a flexible 75- to 90-percent program; while at the same time, the Secretary of Labor was calling upon other committees of the Congress to increase the minimum wage for labor from 75 cents an hour to 90 cents. The Secretary of Labor does not describe 75 cents an hour as a wartime measure for labor that should be brought down. He asks for a movement upward (fig. 3).

FIGURE 3

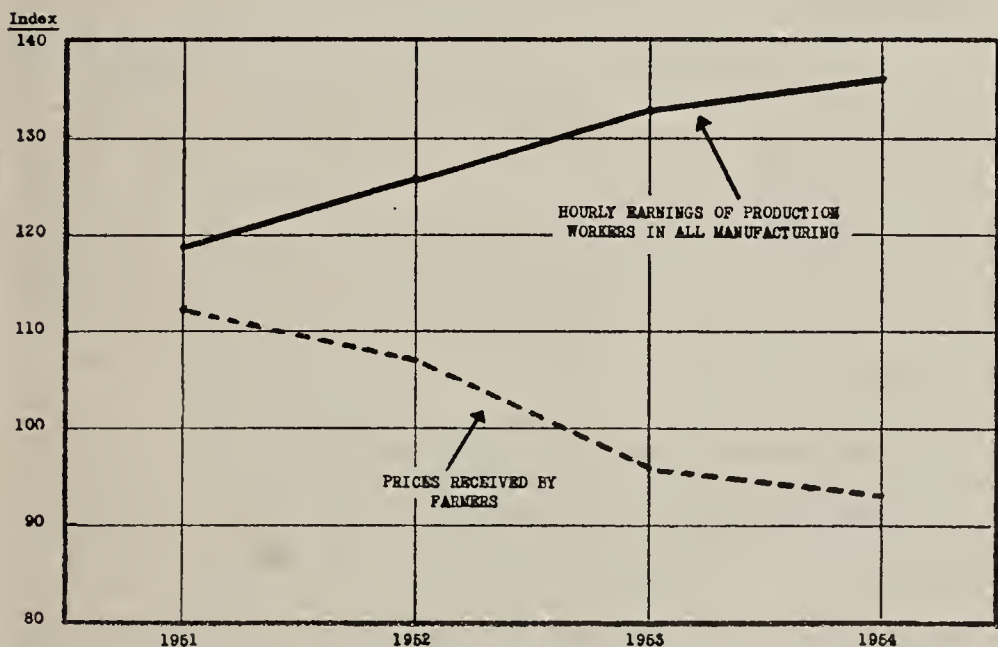




FIGURE 3.—*Hourly earnings of workers in manufacturing industries and prices received by farmers, 1951-54*

[1947-49=100]

|           | Workers' hourly earnings | Farm prices |
|-----------|--------------------------|-------------|
| 1951..... | 119.5                    | 112.2       |
| 1952..... | 125.6                    | 107.0       |
| 1953..... | 133.1                    | 95.9        |
| 1954..... | 136.1                    | 92.9        |

Source: Economic Indicators, Joint Committee on the Economic Report and Agricultural Marketing Service, U. S. Department of Agriculture.

In this connection, it should be pointed out to the House that the heads of two great labor organizations, Walter P. Reuther, CIO president, and George Meany, president of the American Federation of Labor, presented to the committee their endorsements of higher support prices for agriculture. Mr. Reuther testified:

Aware of the lessons of history, we know that the welfare and destiny of farmers and wage earners are closely interrelated, that each depends upon the prosperity of the one to lift up the living standards of the other. \* \* \*

The CIO will not attempt to tell the farmers what kind of agricultural program they should have to protect their interests. We do, however, offer our assurances that we will give to farmers our full backing in their efforts to obtain agricultural policies which will both provide the Nation abundant production of food and fiber and assure farm families full parity of income. This pledge is made unequivocally and without reservation.

Arguments put forward to support the flexible philosophy have spread confusion about the farm program so widely, among city people and many farmers as well, that the committee feels the responsibility to take notice of a number of these fallacious contentions.

FALLACY: That at 90 percent of parity the farmer is pricing himself out of his markets.

Many of those putting forth this fallacy say that, instead of the present production-adjustment program with 90 percent supports for the major crops, they favor a free agriculture with 100 percent of parity in the marketplace. They do not explain how they reason that at 90 percent the farmer is priced out of his markets but he could sell all that he produced in a "free" agriculture at 100 percent of parity. We ask how can a commodity losing its market at a lower price regain the lost ground at a higher price, with no limit on production? Moreover, they do not explain how they reason that the farmer now is getting more than he should for his products, at a time when the average income of persons living on farms is \$918 a year—just half the \$1,836 income of persons not living on farms.

In answer to the specific contention that at 90 percent of parity farmers are pricing themselves out of their markets, the committee points out that more farm commodities now are moving into commercial markets than in any normal peacetime year.

FALLACY: That flexible or lower price supports mean important price reductions to consumers and a substantial increase in consumption.

This report to the House later will discuss in some detail the consumer's position in relation to the farm program, showing that, while farm prices have declined 22 percent in the last 4 years, prices paid

in the retail-food markets by consumers remain near their record peaks.

The most damaging effect of the flexible-price program on the basic crops in 1955, unless H. R. 12 becomes law, will be a loss of \$156 million by wheat farmers because of a reduction in their support level from 90 percent to 82½ percent of parity. This will have no effect whatever on the price of a loaf of bread. Consumers will pay exactly the same, and most of the \$156 million lost by wheat farmers will be absorbed by the middlemen who handle the wheat as it moves between the farmer and the consumer (fig. 4).

FIGURE 4

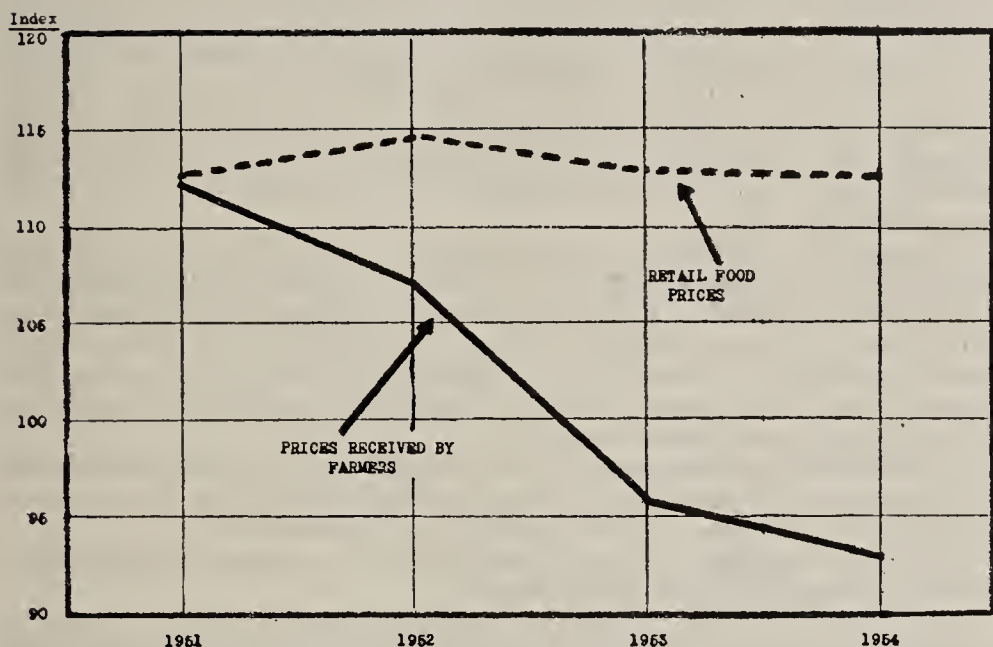


FIGURE 4.—Prices received by farmers and retail food prices, 1951-54

(1947-49 equals 100)

|           | Prices received by farmers | Retail food prices |
|-----------|----------------------------|--------------------|
| 1951..... | 112.2                      | 112.6              |
| 1952..... | 107.0                      | 114.6              |
| 1953..... | 95.9                       | 112.8              |
| 1954..... | 92.9                       | 112.6              |

Source: Economic Indicators, Joint Committee on the Economic Report, and Agricultural Marketing Service, U. S. Department of Agriculture.

**FALLACY:** That flexible or sliding scale supports mean less controls and more freedom for farmers.

The same machinery for production adjustments must be used with either 90 percent or flexible price supports in effect, unless prices are allowed to drop so low that farmers are squeezed so hard they are unable to get credit or other resources needed to continue producing a crop. Present law, with the flexible supports approved in the Agricultural Act of 1954, requires exactly the same controls that were used under the fixed 90 percent supports for the basic crops.

The Secretary of Agriculture has asked for no easing of his control powers but, in fact, has sought the authority to impose in connection with the flexible support program the tightest controls in the history of the farm program, through cross compliance and control over the use of acres diverted from the basic crops.

FALLACY: That agriculture is distinct in the economy by reason of subsidies.

The first Congress in 1789 set up the subsidy principle to encourage the development of an American merchant fleet. Subsidies amounting to billions of dollars have been paid in many areas of industry and business since the beginning of our Government. Only recently has the principle been used to any appreciable extent in behalf of agriculture. Data prepared by a House Appropriations subcommittee in 1954 indicates subsidies amounting to approximately \$45 billion have been paid to business since World War II, a large part of this as business reconversion payments. In contrast, farm price support through the Commodity Credit Corporation, often referred to as subsidies, have cost the Government only a fraction of this amount over a 20-year period.

It should be pointed out also that after World War II the Government took huge losses to protect industry against the competition of war surplus material. Such items as war surplus trucks, automobiles, and other important consumer items were kept off the normal competitive market. Moreover, war plants were recognized as surplus and charged off to war. Industry was given special tax treatment through accelerated amortization.

In contrast, agriculture's adjustments from a wartime to a peacetime economy, interrupted by the Korean conflict, has been carried forward at a relative small expense to the Government.

The price-support program has prevented a catastrophe in agriculture such as followed World War I.

FALLACY: That the 90-percent supports on the basic crops is primarily responsible for the accumulation of existing surpluses and the flexible program would of itself discourage production and solve the surplus problem.

The large stores of food and fiber, which have brought the great economic problems to our farmers, were created not from the 90-percent supports on the basic crops, or from any fault of the farmer, but derive primarily from the vast expansion of our agricultural output in response to Government appeals for ever-increasing production of food and fiber during World War II, and later to meet foreign obligations and the needs anticipated in connection with the Korean conflict.

The output of food and fiber attained a rate more than 40 percent above prewar levels.

A recent decline in farm exports, plus the fact that agricultural production cannot be cut off instantly, plus the decision of the Government to continue production at a high level during the Korean war, have brought on the accumulation of food and fiber in our warehouses in the last 3 years.

As to the contention that lower levels of price support, down to 75 percent on the basics, would discourage production and help solve the surplus problem, information given the committee indicates the contrary is true—that with all farm products in ample supply,

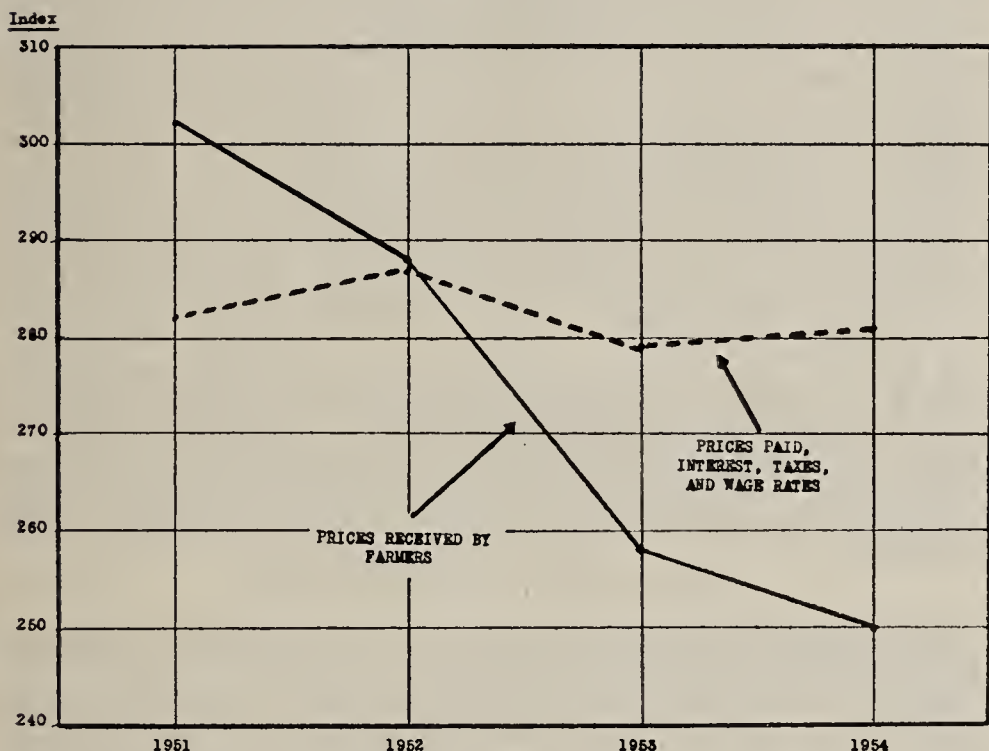


farmers as long as they are economically able will maintain or increase their production in an effort to protect their income in the face of falling prices. There is no reason to believe that our surplus problem would be any less had flexible supports been in effect since 1952.

While these and other fallacies have led to wide misunderstanding by city people, and among farmers themselves, they have not obscured the issue that is presented to the Congress.

The decision to be made is whether we force the farmers of America to bear large and unnecessary costs in adjusting our production of food and fiber, with the risk of damage to our whole economy; or whether we accept abundance as a blessing, with its problems to be shared by all the people in a program that seeks economic equality for agriculture and maintains a solid foundation for the well-being and prosperity of all segments of our society (fig. 5).

FIGURE 5

FIGURE 5.—*Prices received and paid by farmers, 1951-54*

[1910-14 equals 100]

|           | Prices received by farmers | Prices paid, interest, taxes, and wage rates |
|-----------|----------------------------|----------------------------------------------|
| 1951..... | 302                        | 282                                          |
| 1952..... | 288                        | 287                                          |
| 1953..... | 258                        | 279                                          |
| 1954..... | 250                        | 281                                          |

Source: Agricultural Marketing Service, U. S. Department of Agriculture.



Your committee believes that all Americans should be thankful that our problem is one of too much and not too little and that the abundance of food and fiber is a bulwark to our security in a troubled world.

#### IMPACT UPON CITIES

In a report to the House in 1954 the Committee on Agriculture said:

The committee deplores any tendency, in the consideration of farm programs, toward a separation of the interests of the farmers and our great consuming populations of the cities. These interests are one and the same. They are inseparable. Stability for agriculture is equally as important to urban people as to the people on the farms.

We stress again that the welfare of farmers and of people in business, industry, and other pursuits is bound together—that when farm income falls the jobless increase in the cities and that urban unemployment in turn further depresses farm income, putting into motion a cycle such as brought on the great depression of the 1930's.

Farmers, by the nature of their enterprises, are the greatest consumers of goods among the various major segments of our economy. Many millions of people in the total work force in America sustain themselves in farming or in processing and handling agricultural products and in producing goods used by farmers.

The extent of the relation of farm-purchasing power to employment in the cities is illustrated in the fact that more steel is used annually in producing and handling food than goes into the total output of automobiles. Farmers use each year enough rubber to make tires for 6 million automobiles. Agriculture consumes more petroleum than any other industry.

H. R. 12 is based upon a recognition of the basic economic facts that the well-being of the total economy cannot be sustained with agriculture operating at a semidepression level, that a total economic balance cannot be maintained with agriculture out of balance, and that agricultural policy will determine the economic course of the Nation in the years ahead.

#### THE CONSUMER AND THE FARMER

The consuming population of the United States eats more and better food in times of prosperity in agriculture.

It has been in times when food was cheapest, in relation to other values in our economy, that breadlines in the cities have been the longest. This was true early in the great depression, when farm prices plunged to 61 percent of parity. Food then was plentiful and cheap but many people had no wages to buy it and lived on inadequate diets.

In contrast we point out that consumers, in the years of relative farm prosperity following World War II, have gotten more and better food with an expenditure of a smaller percentage of their total income than in any other period in history.

Today the average factory employee can buy over 10 pounds of bread with an hour's wage. In 1929 his hour's work bought 6.4 pounds, and in 1914 only 3.5 pounds.

Department of Agriculture economists have set up a table for other major foods, showing what the average wage of a factory worker bought in 1914 and 1929, and what it buys today, as follows:

|                             | 1914 | 1929 | January<br>1955 |
|-----------------------------|------|------|-----------------|
| Round steak.....pounds..... | 0.9  | 1.2  | 2.0             |
| Pork chops.....do.....      | 1.0  | 1.5  | 2.4             |
| Butter.....do.....          | .6   | 1.0  | 2.6             |
| Milk.....quarts.....        | 2.5  | 3.9  | 7.9             |
| Eggs.....dozen.....         | .6   | 1.1  | 3.6             |
| Potatoes.....pounds.....    | 12.4 | 17.7 | 34.7            |
| Oranges.....dozen.....      |      | 1.3  | 4.0             |
| Bacon.....pounds.....       | .8   | 1.3  | 2.6             |
| Cheese.....do.....          | 1.0  | 1.4  | 3.2             |

The consumers' greatest ability to purchase food has occurred during the years of the development of the farm program.

Thus, the committee feels it is indisputable that the growth of farm income stability means greater prosperity in the cities where consumers, with broader employment and better wages, have the means to purchase more of the necessities and comforts of life.

It might be well, in the interest of farmer-consumer understanding, to examine the current wide marketing margins for farm products, by citing a few illustrations.

A 1-pound loaf of bread, by Government figures, sells at an average of 17.5 cents. The farmer gets only about 2.8 cents for the wheat that goes into this loaf. In January 1948 the farm price of wheat reached a peak of \$2.81 a bushel and the average price of bread was 13.8 cents a loaf. In 1954 the farm price of wheat dropped as low as \$1.91 a bushel, yet the average price of bread then was 17 cents. Thus, while the price of wheat declined 32 percent the price of bread advanced 23 percent.

A \$4 dress shirt contains less than 30 cents worth of cotton.

Tobacco farmers received about \$800 million for that part of their 1953 crop consumed in the United States. Federal, State, and local taxes on the 1953 crop, by the time it reached the consumers, amounted to approximately \$2,100 million. The consumer pays almost three times as much in taxes on tobacco as farmers receive for the crop.

The farmer receives only 43 cents of each dollar the consumer pays for food.

It should be pointed out that the costs added to food after it leaves the farms are due largely to the consumer demand for better processing, more precooking and mixes, improved sanitation, and more convenient and attractive packaging, plus increased labor costs in processing, transportation, and marketing.

This, along with certain inefficiencies in our marketing system, is the primary reason why, while farm prices have fallen 22 percent since 1951, the level of retail food prices has remained near its post-war peak.

#### THE BASIC CROPS

The 90 percent of parity price supports have applied in years past to six basic crops—wheat, corn, cotton, tobacco, peanuts, and rice.

These crops were designated as basic because (1) they are important in farm income; (2) they may be stored in warehouses for long periods of time under loans that keep them from overflowing the markets, especially at harvest time; and (3) the nature of their tillage lends itself to production adjustments through acreage allotments.

Those who seek to break down the firm 90 percent supports for these crops (with the exception of tobacco, which operates in a perma-

ment authority) have given our citizens the erroneous impression that the firm supports have cost the Nation billions of dollars.

The truth is that the Commodity Credit Corporation, by its own records of December 31, 1952, just before the present Secretary of Agriculture took office, showed a profit to the Government of \$13,011,290 in almost 20 years of operations, protecting the income of farmers who produce wheat, corn, cotton, tobacco, peanuts, and rice.

On December 31, 1954, losses on the CCC-support program for the basic crops amounted to \$300,109,993, largely the result of overproduction for anticipated needs in connection with the Korean conflict.

The greater expenses have occurred in programs for other than the basics that have been operated under a flexible price-support system.

And the House should be alerted that the full conversion of five basic crops away from firm supports to the flexible system would mean further losses to the Government, by deterioration of the value of stocks it now holds. Similar losses would occur on stocks privately owned.

The following table indicates the comparative value of current stocks of basic crops in Government and private hands and of 1955 estimated production of these crops, at 75 and 90 percent of parity:

*Values of stocks of basic commodities and of 1955 expected production at 75 and 90 percent of parity<sup>1</sup>*

| Commodity                             | Estimated stock, Jan. 1, 1955 |                     |                  | Estimated 1955 production     |                     |                  |
|---------------------------------------|-------------------------------|---------------------|------------------|-------------------------------|---------------------|------------------|
|                                       | Amount<br>(in thou-<br>sands) | Value (in millions) |                  | Amount<br>(in thou-<br>sands) | Value (in millions) |                  |
|                                       |                               | At 75<br>percent    | At 90<br>percent |                               | At 75<br>percent    | At 90<br>percent |
| Corn..... bushels..                   | 2,829,000                     | \$3,857.7           | \$4,639.6        | 2,868,000                     | \$3,929.2           | \$4,703.5        |
| Wheat..... do.....                    | 1,461,000                     | 2,746.7             | 3,301.9          | 850,000                       | 1,598.0             | 1,921.0          |
| Upland cotton..... pounds..           | 7,839,112                     | 2,071.1             | 2,485.0          | 5,050,000                     | 1,334.2             | 1,600.9          |
| Rice..... hundredweight..             | 18,329                        | 75.1                | 90.0             | 44,135                        | 181.0               | 216.7            |
| Peanuts, farmers' stock..... pounds.. | 640,457                       | 65.3                | 78.1             | 1,392,000                     | 142.0               | 169.8            |
| Total values.....                     |                               | 8,833.9             | 10,594.6         |                               | 7,184.4             | 8,611.9          |
| Dollar difference.....                |                               | 1,780.7             |                  |                               | 1,427.5             |                  |

<sup>1</sup> Except tobacco.

Source: Agricultural Marketing Service, U. S. Department of Agriculture.

The table following shows CCC's profit-and-loss position with respect to the basic crops over a 20-year period:

*Commodity Credit Corporation basic commodities*

|                                   | Realized gains (+) or losses (-) Oct. 17,<br>1933, through— |               |                |
|-----------------------------------|-------------------------------------------------------------|---------------|----------------|
|                                   | Dec. 31, 1952                                               | May 31, 1953  | Dec. 31, 1954  |
| Corn.....                         | -\$53,166,802                                               | -\$63,537,038 | -\$181,022,538 |
| Cotton.....                       | +268,629,425                                                | +268,347,706  | +266,703,873   |
| Cotton (Puerto Rican).....        | -130,198                                                    | -130,198      | -130,193       |
| Cotton (export differential)..... | -41,361,218                                                 | -41,361,218   | -41,361,218    |
| Cotton, rubber barter.....        | +11,055,451                                                 | +11,055,451   | +11,055,451    |
| Peanuts.....                      | -91,687,605                                                 | -92,244,177   | -118,128,838   |
| Rice.....                         | -1,422,757                                                  | -1,451,645    | +217,059       |
| Tobacco.....                      | +4,585,150                                                  | +1,801,453    | +691,979       |
| Wheat.....                        | -83,490,156                                                 | -91,388,614   | -238,135,536   |
| Total.....                        | +13,011,290                                                 | -8,908,280    | -300,109,993   |

Source: CCC reports.



It should be noted that cotton-, tobacco-, and rice-support programs had returned profits in their operations, up to December 31, 1954.

CCC operations in all price-supported crops, basic and nonbasic, showed from October 17, 1933, to December 31, 1952, a loss of \$1,064,617,225; to May 31, 1953, a loss of \$1,089,873,538, and to December 31, 1954, a loss of \$1,828,864,407. The last figure covers the cost of CCC price-support operations over a period of 20 years.

#### THE DAIRY INDUSTRY

Present law authorizes price supports at 75 to 90 percent of parity. The supports were maintained on dairy products at 90 percent for several years, until the Secretary of Agriculture on last April 1 reduced the supports to 75 percent.

In 1954, with the sharply lower supports in effect for 9 months, dairy farmers received \$193 million less for their total milk sales than in 1953, while consumers paid an estimated \$60 million more for dairy products.

The lower support level did not reduce the production of milk in 1954, the output in 1954 being 2 percent above 1953. There was a small increase in consumption of fluid milk, butter, and cheese.

H. R. 12 seeks to improve the position of dairy farmers.

#### WHY DO WE NEED A FARM PROGRAM?

Consumers and taxpayers often ask why agriculture is so different that it requires special treatment in law.

The broad answer is that this special treatment is similar in principle to the minimum wage and collective bargaining laws that protect Labor's income, the tariffs in protecting industry, the Government rate fixing that underwrites profits for utilities, fair trade laws for business, and many other National, State, and local laws intended to control or modify the hazards of doing business.

The hazards in farming are greater than in any other enterprise.

1. Agriculture is the only major element of our total economy that has no device, outside of the aid of Government, to pattern its production to market needs.

A factory can be shut down in the middle of production, to adjust to a changing market, but farming cannot be stopped in the midst of a crop. Farmers have no way of measuring what should be their individual contributions to a balanced national supply of food and fiber, without Government help. And even in the best program their production is uncertain, being subject to the seasons—rain, hail, wind, pests, temperatures, and sunshine.

2. Agriculture is the only industry that does not set its prices but goes into the market places and asks: "What will you give me?"

It might be well to ask how long the free enterprise system would survive if in industry, as in agriculture, the factories produced for a full year and in one brief period, as in agriculture's harvest season, put all their accumulated goods and wares on auction, not at prices fixed by management but at prices the customers were willing to bid.

Agriculture must look to Government for some protection in markets where the producers have no voice in the prices of the things they bring to sell.



3. The needs of consumers and the safety of the country require huge agricultural supplies on hand beyond the food and fiber currently being consumed. But this very abundance—this safety margin against crop failures or other national or international emergencies—is known as “surplus” in the market places and will perpetually depress the farmers’ prices, in the absence of a farm program.

These are some of the reasons why Government must recognize the vulnerability as well as the importance of agriculture.

#### AMERICA’S STRENGTH

In many nations of the world today the people are hungry, because their farmers have been neglected and ill treated. Many governments are weak and unstable, where food is scarce. Some are dictatorships, where individual freedom is lost.

We recently witnessed a great upheaval in Russia. There the Communists cannot make enough guns to suit them, and at the same time produce enough food to feed the people. The late events have shown us that Russia’s great weakness is her inability to match the productivity of America’s farms.

In Russia, agriculture requires the labor of fully one-half the total population. One family on a farm hardly can feed itself and one other family in town.

In America, each farm worker feeds 16.4 persons in our own country, and another  $1\frac{1}{2}$  abroad—a total of 18.

A Soviet farm worker is only about one-fifth as productive as the average farm worker in the United States.

Thus, while more than half of Russia’s total population works on farms, and still cannot meet the Communists’ needs for food and fiber, in America the efficiency of our farmers releases 86 percent of our population for other work—in factories, in mines, in shops, in transportation, in all the other pursuits that with the abundance of food and fiber from our farms—make the United States standard of living the envy of the world.

The committee cites these facts to show where, fundamentally, our great national strength has its roots, as we bring to the House a report on disturbing and urgent conditions in our agriculture, and we present and propose H. R. 12 for the purpose of bringing about some remedy of these circumstances.

#### ANALYSIS OF THE BILL

##### *Section 1. Price supports on basic commodities*

Section 1 of the bill amends section 101 (d) (6) of the Agricultural Act of 1949 to provide price supports on basic commodities at 90 percent of parity for the years 1955, 1956, and 1957. Under the existing provisions of that paragraph, the basic commodities, with the exception of tobacco, will be supported on a sliding scale at from  $82\frac{1}{2}$  to 90 percent of parity in 1955, and from 75 to 90 percent thereafter.

##### *Section 2. Domestic certificate program for wheat*

Section 2 is the domestic certificate or “two-price plan” for wheat which was reported by this committee last year as part of the bill H. R. 9680 and passed by the House. It has been changed only by the addition of clarifying language in a few places.

Under the provisions of this section, wheat farmers would receive the equivalent of 100 percent of parity for that portion of their wheat production which is consumed domestically for food. They would receive substantially the world price of wheat, whatever that might be, for the balance of their production. This would be accomplished by the Secretary of Agriculture, estimating the quantity of wheat to be consumed in the United States for food and issuing to wheat producers certificates representing their pro rata share of this domestic consumption. The value of these certificates would be the difference between the estimated market price of that year's crop and 100 percent of parity.

The farmer would market his wheat in the ordinary manner, receiving for it the current market price. He would then sell or cash in his certificates with the Commodity Credit Corporation and receive the equivalent of the full parity price for that portion of the wheat represented by the certificates.

Millers and others processing wheat for domestic consumption as food would be required to purchase and surrender to the Secretary certificates equivalent to the number of bushels of wheat sold for domestic food consumption. Thus, the farmer would be receiving and the miller would be paying the full parity price for the wheat which is consumed as food in the United States.

Protection to other feed grains and to world-market prices is afforded by the requirement in the section that the Secretary shall establish a low-level support program to be determined by several factors, including the levels at which corn and other feed grains are supported and factors affecting international trade in wheat.

The provisions of this section do not immediately put the new wheat program into effect but will give wheat producers an opportunity to vote on the program and will put it into effect automatically if more than 50 percent of those voting favor this program.

A more detailed discussion of this provision will be found in the report of the committee on H. R. 9680, 83d Congress (H. Rept. 1927), pages 14-17.

### *Section 3. Price-support level for milk and dairy products*

This section amends section 201 (c) of the Agricultural Act of 1949 with respect to the support level for milk and dairy products. Under the present provision of the law, the Secretary is required to support the price of whole milk, butterfat, and the products of such commodities at such level between 75 and 90 percent of parity as the Secretary determines to be necessary in order to assure an adequate supply. The amendment reported herewith would set the minimum support level at 80 percent and would eliminate the reference to adequate supply as the only consideration on which the support level is to be based.

### *Section 4. School-milk program*

The program for diverting surplus dairy production into fluid milk for increased and expanded consumption by school children, instead of into manufactured dairy products, has met with substantial success and wide public approval since it was authorized in the Agricultural Act of 1954. That act authorized such a program for 2 years in an amount not exceeding \$50 million per year. Section 4 of this bill will authorize the program through an additional year (until June 30,

1957) and will increase the authorized expenditure for the program to \$75 million per year beginning July 1, 1955.

The language of the act has also been amended slightly to provide that the funds are to be used "exclusively" to increase the consumption of fluid milk by children. The purpose of this is to make it clear that the funds are to be used only for the purchase and distribution of fluid milk and not for equipment or installations in schools in connection with such distribution.

#### *Section 5. Brucellosis eradication*

The Agricultural Act of 1954 authorized, as part of the program to bring stability to the dairy industry, the use of up to \$15 million a year of Commodity Credit Corporation funds for 2 years for the purpose of conducting an augmented campaign for eradicating brucellosis in cattle. This section would extend that authority through the fiscal year ending June 30, 1958.

### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

### AGRICULTURAL ACT OF 1949

#### TITLE I—BASIC AGRICULTURAL COMMODITIES

\* \* \* \* \*

##### SEC. 101. \* \* \*

##### SUBSECTION (d). \* \* \*

(6) [Except as provided in subsection (c) and section 402,] the level of support to cooperators shall be [not more than 90 per centum and not less than 82½ per centum] *90 per centum* of the parity price for the 1955, 1956, and 1957 crops of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas;

\* \* \* \* \*

#### TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

\* \* \* \* \*

##### SEC. 201. \* \* \*

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at [such level not in excess of 90 per centum nor less than 75 per centum] *not less than 80 per centum nor more than 90 per centum* of the parity price therefor [as the Secretary determines necessary in order to assure an adequate supply.]. Such price support shall be provided through loans on, or purchases of, milk and products of milk and butterfat, and for the period ending March 31, 1956, surplus stocks of dairy products owned by the Commodity Credit Corporation may be disposed of by any methods determined necessary by the Secretary. [Beginning September 1, 1954, and ending June 30, 1956, not to exceed \$50,000,000 annually of] *For the period September 1, 1954, to June 30, 1955, not to exceed \$50,000,000, and for the period July 1, 1955, to June 30, 1957, not to exceed \$75,000,000 annually, of the funds of the Commodity Credit Corporation shall be used exclusively to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under.*

### AGRICULTURAL ACT OF 1954

\* \* \* \* \*

##### SEC. 204. \* \* \*

(e) As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle the Secretary of Agriculture is authorized to transfer not to exceed \$15,000,000 [annually for a period of two years from funds



available to the Commodity Credit Corporation to the appropriation item "Plant and Animal Disease and Pest Control" in the Department of Agriculture Appropriation Act, 1955] for each of the two fiscal years ending in 1957 and 1958, from funds available to the Commodity Credit Corporation to the funds appropriated to the Department of Agriculture for such fiscal years for the purpose of accelerating the brucellosis eradication program, for the purpose of increasing to not to exceed \$50 per head of cattle the amount of the indemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the Act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith. There [is] are hereby authorized to be appropriated annually such sums as may be necessary to reimburse the Commodity Credit Corporation for expenditures pursuant to this section.

## AGRICULTURAL ADJUSTMENT ACT, OF 1938, AS AMENDED

\* \* \* \* \*

### TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, [AND] MARKETING QUOTAS, AND MARKETING CERTIFICATES

\* \* \* \* \*

#### SUBTITLE D—WHEAT MARKETING CERTIFICATES

##### LEGISLATIVE FINDINGS

*SEC. 380a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens, interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided under the marketing certificate plan set forth in this subtitle.*

##### DOMESTIC FOOD QUOTA

*SEC. 380b. Not later than July 1 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States during such marketing year.*

##### APPORTIONMENT OF DOMESTIC FOOD QUOTA

*SEC. 380c. (a) The domestic food quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the total production of wheat in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period. The reserve quota set aside herein for apportionment by the Secretary shall be used to establish quotas for counties, in addition to the county quotas established under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat during the five calendar years immediately preceding the calendar year in which the quota is proclaimed.*

*(b) The State domestic food quota for wheat, less a reserve of not to exceed three per centum thereof for apportionment as provided in subsection (c), shall be appor-*



tioned by the Secretary among the counties in the State on the basis of the total production of wheat in each county during the five calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period.

(c) The county domestic food quota for wheat shall be apportioned by the Secretary, through the local committees, among the farms within the county on which wheat has been seeded for the production of wheat during any one or more of the three calendar years immediately preceding the calendar year in which the marketing year for which the quota is proclaimed begins, on the basis of the normal yield of the acreage planted to wheat during such three-year period. The reserve provided under subsection (b) shall be used to adjust farm quotas which the county committee determines to be inequitable on the basis of tillable acres, crop-rotation practices, type of soil, and topography.

#### MARKETING CERTIFICATES

Sec. 380d. (a) The Secretary shall prepare for issuance in each county marketing certificates aggregating the amount of the county domestic food quota. Such certificates shall be issued to cooperators in an amount equal to the domestic food quota established for the farm pursuant to the applicable provisions of section 380c of this Act. The marketing certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of marketing certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell marketing certificates in such quantities as may be required to persons processing wheat into food products. Marketing certificates shall be transferable only in accordance with regulations issued by the Secretary.

(b) Whenever a domestic food quota is proclaimed for any marketing year pursuant to section 380b of this Act, the Secretary shall determine and proclaim for such marketing year (1) the estimated parity price and the estimated farm price for wheat, and (2) the value of the marketing certificate. The value of the marketing certificate shall be equal to the amount by which the estimated parity price exceeds the estimated farm price as determined herein. The value of the marketing certificate shall be computed to the nearest cent. The proclamation required by this subsection shall be made during the month of June immediately preceding the marketing year for which such domestic food quota is proclaimed.

(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell marketing certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

#### MARKETING RESTRICTIONS

SEC. 380e. (a) Except as provided in subsection (d) hereof all persons engaged in the processing of wheat into food products composed wholly or partly of wheat are hereby prohibited from marketing any such product for domestic food consumption or export containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this Act have been acquired by such person.

(b) Except as provided in subsection (d) hereof all persons are hereby prohibited from importing or bringing into the continental United States any food products containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this Act have been acquired by such person.

(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which marketing certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: Provided, however, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of and payment for such

marketing certificates as may be required, any person required to have a marketing certificate in order to market or import a food product composed wholly or partly of wheat may market or import any such commodity without having first acquired a marketing certificate.

(e) As used in section 390c of this title, the term "marketing" means the sale and the delivery of the food product composed wholly or partly of wheat.

#### CONVERSION FACTORS

SEC. 380f. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

#### CIVIL PENALTIES

SEC. 380g. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of subsection (a) or (b) of section 380e of this Act shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

#### ADJUSTMENTS IN DOMESTIC FOOD QUOTAS

SEC. 380h. If the Secretary has reason to believe that, because of a national emergency or because of a material increase in demand for wheat, the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota shall be increased or shall be suspended, as the case may be. In case any domestic food quota for wheat is increased under this section, each farm quota for wheat shall be increased in the same ratio and marketing certificates shall be issued therefor in accordance with section 380d of this Act. In case any domestic food quota for wheat is suspended under this section, the Secretary may redetermine the value of marketing certificates issued pursuant to section 380d of this Act.

#### REPORTS AND RECORDS

SEC. 380i. (a) The provisions of section 373 of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

(b) The provisions of section 373 (b) of the Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

#### REFERENDUM

SEC. 380j. In the referendum held pursuant to section 336 of this Act on the national marketing quota proclaimed for the 1956 crop of wheat, the Secretary shall also submit the question whether farmers favor a marketing certificate program under this subtitle in lieu of marketing quotas under subtitle B. If more than one-half of the farmers voting in the referendum favor such marketing certificate program, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, suspend the operation of such quota and a marketing certificate program shall be in effect for the 1956 and subsequent wheat crops under the provisions of this subtitle and marketing quotas and acreage allotments shall not be in effect for wheat under subtitle B.

#### PRICE SUPPORT

SEC. 380k. Notwithstanding any other provision of law—

(a) Whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

(b) *The Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in wheat including exchange rates and currency regulations.*

(c) *Compliance by the producer with acreage allotments, production goals, and marketing practices (excluding marketing quotas) may be prescribed and required by the Secretary as a condition of eligibility for price support and for the receipt of wheat marketing certificates.*

SUBTITLE [D] E—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

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84TH CONGRESS  
1ST SESSION

# H. R. 12

[Report No. 203]

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1955

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

MARCH 10, 1955

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Insert the part printed in italic]

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## A BILL

To amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That paragraph (6) of subsection (d) of section 101, of  
4       the Agricultural Act of 1949, as amended, is amended to  
5       read as follows: "the level of support to cooperators shall be  
6       90 per centum of the parity price for the 1955, 1956, and  
7       1957 crops of any basic agricultural commodity with respect  
8       to which producers have not disapproved marketing quotas."

9       *SEC. 2. Title III of the Agricultural Adjustment Act of*  
10       *1938, as amended, is amended (1) by changing the designa-*



tion thereof to read as follows: "TITLE III—LOANS,  
 PARITY PAYMENTS, CONSUMER SAFEGUARDS,  
 MARKETING QUOTAS, AND MARKETING CER-  
 TIFICATES"; (2) by changing the designation of subtitle  
 D thereof to read as follows: "SUBTITLE E—MISCELLANE-  
 OUS PROVISIONS AND APPROPRIATIONS"; and (3) by in-  
 serting after subtitle C a new subtitle D, as follows:

"SUBTITLE D—WHEAT MARKETING CERTIFICATES  
 "LEGISLATIVE FINDINGS

"SEC. 380a. Wheat, in addition to being a basic food,  
 is one of the great export crops of American agriculture and  
 its production for domestic consumption and for export is es-  
 sential to the maintenance of a sound national economy and  
 to the general welfare. The movement of wheat from pro-  
 ducer to consumer, in the form of the commodity or any of  
 the products thereof, is preponderantly in interstate and for-  
 eign commerce. That small percentage of wheat which is  
 produced and consumed within the confines of any State is  
 normally commingled with, and always bears a close and  
 intimate commercial and competitive relationship to, that  
 quantity of such commodity which moves in interstate and  
 foreign commerce. For this reason, any regulation of intra-  
 state commerce in wheat is a regulation of commerce which  
 is in competition with, or which otherwise affects, obstructs,  
 or burdens, interstate commerce in that commodity. In

1 order to provide an adequate and balanced flow of wheat in  
2 interstate and foreign commerce and thereby assist farmers  
3 in obtaining parity of income by marketing wheat for domes-  
4 tic consumption at parity prices and by increased exports at  
5 world prices, and to assure consumers an adequate and steady  
6 supply of wheat at fair prices, it is necessary to regulate all  
7 commerce in wheat in the manner provided under the  
8 marketing certificate plan set forth in this subtitle.

9 “DOMESTIC FOOD QUOTA

10 “SEC. 380b. Not later than July 1 of each calendar year  
11 the Secretary shall determine and proclaim the domestic  
12 food quota for wheat for the marketing year beginning in the  
13 next calendar year. Such domestic food quota shall be that  
14 number of bushels of wheat which the Secretary determines  
15 will be consumed as human food in the continental United  
16 States during such marketing year.

17 “APPORTIONMENT OF DOMESTIC FOOD QUOTA

18 “SEC. 380c. (a) The domestic food quota for wheat,  
19 less a reserve of not to exceed 1 per centum thereof for  
20 apportionment as provided in this subsection, shall be ap-  
21 portioned by the Secretary among the several States on the  
22 basis of the total production of wheat in each State during  
23 the five calendar years immediately preceding the calendar  
24 year in which the quota is proclaimed, with such adjustments  
25 as are determined to be necessary for adverse weather

1 conditions and for trends in production during such period.  
2 The reserve quota set aside herein for apportionment by the  
3 Secretary shall be used to establish quotas for counties, in  
4 addition to the county quotas established under subsection  
5 (b) of this section, on the basis of the relative needs of  
6 counties for additional quota because of reclamation and  
7 other new areas coming into the production of wheat during  
8 the five calendar years immediately preceding the calendar  
9 year in which the quota is proclaimed.

10 “(b) The State domestic food quota for wheat, less a  
11 reserve of not to exceed 3 per centum thereof for apportion-  
12 ment as provided in subsection (c), shall be apportioned by  
13 the Secretary among the counties in the State on the basis  
14 of the total production of wheat in each county during the  
15 five calendar years immediately preceding the calendar year  
16 in which the quota is proclaimed, with such adjustments as  
17 are determined to be necessary for adverse weather conditions  
18 and for trends in production during such period.

19 “(c) The county domestic food quota for wheat shall be  
20 apportioned by the Secretary, through the local committees,  
21 among the farms within the county on which wheat has been  
22 seeded for the production of wheat during any one or more  
23 of the three calendar years immediately preceding the  
24 calendar year in which the marketing year for which the  
25 quota is proclaimed begins, on the basis of the normal yield



1 of the acreage planted to wheat during such three-year period.  
2 The reserve provided under subsection (b) shall be used to  
3 adjust farm quotas which the county committee determines to  
4 be inequitable on the basis of tillable acres, crop-rotation  
5 practices, type of soil, and topography.

6 “MARKETING CERTIFICATES

7 “SEC. 380d. (a) The Secretary shall prepare for issu-  
8 ance in each county marketing certificates aggregating the  
9 amount of the county domestic food quota. Such certificates  
10 shall be issued to cooperators in an amount equal to the  
11 domestic food quota established for the farm pursuant to the  
12 applicable provisions of section 380c of this Act. The mar-  
13 keting certificates for a farm shall be issued to the farm  
14 operator, but the Secretary may authorize the issuance of  
15 marketing certificates to individual producers on any farm  
16 on the basis of their respective shares in the wheat crop, or  
17 the proceeds thereof, produced on the farm. The Secretary  
18 shall also issue and sell marketing certificates in such quan-  
19 tities as may be required to persons processing wheat into  
20 food products. Marketing certificates shall be transferable  
21 only in accordance with regulations issued by the Secretary.

22 “(b) Whenever a domestic food quota is proclaimed for  
23 any marketing year pursuant to section 380b of this Act, the  
24 Secretary shall determine and proclaim for such marketing  
25 year (1) the estimated parity price and the estimated farm



1 price for wheat, and (2) the value of the marketing certifi-  
2 cate. The value of the marketing certificate shall be equal to  
3 the amount by which the estimated parity price exceeds the  
4 estimated farm price as determined herein. The value of  
5 the marketing certificate shall be computed to the nearest  
6 cent. The proclamation required by this subsection shall be  
7 made during the month of June immediately preceding the  
8 marketing year for which such domestic food quota is  
9 proclaimed.

10       “(c) The Secretary is authorized and directed through  
11 the Commodity Credit Corporation to buy and sell market-  
12 ing certificates issued for any marketing year at the value  
13 proclaimed pursuant to subsection (b) of this section. For  
14 the purpose of facilitating the purchase and sale of certifi-  
15 cates, the Secretary may establish and operate a pool or  
16 pools and he may also authorize public and private agencies  
17 to act as his agents, either directly or through the pool or  
18 pools. Certificates shall be valid to cover sales and importa-  
19 tions of products made during the marketing year with  
20 respect to which they are issued and after being once used to  
21 cover such sales and importations shall be canceled by the  
22 Secretary. Any unused certificates shall be redeemed by the  
23 Secretary at the price established for such certificates.

1                   “MARKETING RESTRICTIONS

2           “SEC. 380e. (a) *Except as provided in subsection (d)*  
3 *hereof, all persons engaged in the processing of wheat into*  
4 *food products composed wholly or partly of wheat are hereby*  
5 *prohibited from marketing any such product for domestic*  
6 *food consumption or export containing wheat in excess of*  
7 *the quantity for which marketing certificates issued pursuant*  
8 *to section 380 of this Act have been acquired by such person.*

9           “(b) *Except as provided in subsection (d) hereof, all*  
10 *persons are hereby prohibited from importing or bringing*  
11 *into the continental United States any food products con-*  
12 *taining wheat in excess of the quantity for which marketing*  
13 *certificates issued pursuant to section 380d of this Act have*  
14 *been acquired by such person.*

15           “(c) *Upon the exportation from the continental United*  
16 *States of any food product containing wheat, with respect*  
17 *to which marketing certificates as required herein have been*  
18 *acquired, the Secretary shall pay to the exporter an amount*  
19 *equal to the value of the certificates for the quantity of wheat*  
20 *so exported in the food product. For the purposes of this*  
21 *subsection, the consignor named in the bill of lading, under*  
22 *which the article is exported, shall be considered the exporter:*  
23 *Provided, however, That any other person may be considered*

1 to be the exporter if the consignor named in the bill of lading  
2 waives claim in favor of such other person.

3 “(d) Upon the giving of a bond satisfactory to the Sec-  
4 retary under such rules and regulations as he shall prescribe  
5 to secure the purchase of and payment for such marketing  
6 certificates as may be required, any person required to have  
7 a marketing certificate in order to market or import a food  
8 product composed wholly or partly of wheat may market or  
9 import any such commodity without having first acquired a  
10 marketing certificate.

11 “(e) As used in section 380e of this title, the term  
12 ‘marketing’ means the sale and the delivery of the food  
13 product composed wholly or partly of wheat.

14 “CONVERSION FACTORS

15 “SEC. 380f. The Secretary shall ascertain and establish  
16 conversion factors showing the amount of wheat contained in  
17 food products processed wholly or partly from wheat. The  
18 conversion factor for any such product shall be determined  
19 upon the basis of the weight of wheat used in the processing  
20 of such product.

21 “CIVIL PENALTIES

22 “SEC. 380g. Any person who violates or attempts to  
23 violate, or who participates or aids in the violation of, any  
24 of the provisions of subsection (a) or (b) of section 380e  
25 of this Act shall forfeit to the United States a sum equal to



1 *three times the market value, at the time of the commission*  
2 *of such act, of the product involved in such violation. Such*  
3 *forfeiture shall be recoverable in a civil suit brought in the*  
4 *name of the United States.*

5 *“ADJUSTMENTS IN DOMESTIC FOOD QUOTAS*

6 *“SEC. 380h. If the Secretary has reason to believe that*  
7 *because of a national emergency or because of a material*  
8 *increase in demand for wheat, the domestic food quota for*  
9 *wheat should be increased or suspended, he shall cause an*  
10 *immediate investigation to be made to determine whether*  
11 *the increase or suspension is necessary in order to meet such*  
12 *emergency or increase in the demand for wheat. If, on the*  
13 *basis of such investigation, the Secretary finds that such*  
14 *increase or suspension is necessary, he shall immediately*  
15 *proclaim such finding (and if he finds an increase is neces-*  
16 *sary, the amount of the increase found by him to be neces-*  
17 *sary) and thereupon such quotas shall be increased or shall*  
18 *be suspended, as the case may be. In case any domestic*  
19 *food quota for wheat is increased under this section, each*  
20 *farm quota for wheat shall be increased in the same ratio*  
21 *and marketing certificates shall be issued therefor in accord-*  
22 *ance with section 380d of this Act. In case any domestic*  
23 *food quota for wheat is suspended under this section, the*  
24 *Secretary may redetermine the value of marketing certifi-*  
25 *cates issued pursuant to section 380d of this Act.*



*“REPORTS AND RECORDS*

1  
2       *“SEC 380i. (a) The provisions of section 373 of this*  
3 *Act shall apply to all persons, except wheat producers, who*  
4 *are subject to the provisions of this subtitle, except that any*  
5 *such person failing to make any report or keep any record*  
6 *as required by this section or making any false report or*  
7 *record shall be deemed guilty of a misdemeanor and upon*  
8 *conviction thereof shall be subject to a fine of not more than*  
9 *\$2,000 for each such violation.*

10       *“(b) The provisions of section 373 (b) of the Act*  
11 *shall apply to all wheat farmers who are subject to the*  
12 *provisions of this subtitle.*

*“REFERENDUM*

13  
14       *“SEC. 380j. In the referendum held pursuant to section*  
15 *336 of this Act on the national marketing quota proclaimed*  
16 *for the 1956 crop of wheat, the Secretary shall also submit*  
17 *the question whether farmers favor a marketing certificate*  
18 *program under this subtitle in lieu of marketing quotas under*  
19 *subtitle B. If more than one-half of the farmers voting in*  
20 *the referendum favor such marketing certificate program,*  
21 *the Secretary shall, prior to the effective date of the national*  
22 *marketing quota proclaimed under subtitle B, suspend the*  
23 *operation of such quota and a marketing certificate program*  
24 *shall be in effect for the 1956 and subsequent wheat crops*  
25 *under the provisions of this subtitle and marketing quotas*

1 *and acreage allotments shall not be in effect for wheat under*  
2 *subtitle B.*

3 *“PRICE SUPPORT*

4 *“SEC. 380k. Notwithstanding any other provision of*  
5 *law—*

6 *“(a) Whenever a wheat marketing certificate program*  
7 *under this subtitle is in effect, price support for wheat shall*  
8 *be determined in accordance with the provisions of sub-*  
9 *section (b) of this section.*

10 *“(b) The Secretary of Agriculture is authorized to*  
11 *make available through loans, purchases, or other operations,*  
12 *price support to producers of wheat who are cooperators.*  
13 *The amount, terms, conditions, and extent of such price-*  
14 *support operations shall be determined by the Secretary,*  
15 *except that the level of such support shall be deter-*  
16 *mined after taking into consideration the following fac-*  
17 *tors: (1) the supply of the commodity in relation to the*  
18 *demand therefor, (2) the price levels at which corn and*  
19 *other feed grains are being supported and the feed value*  
20 *of such grains in relation to wheat, (3) the provisions of*  
21 *any international agreement relating to wheat to which the*  
22 *United States is a party, (4) foreign trade policies of*  
23 *friendly wheat exporting countries, and (5) other factors*  
24 *affecting international trade in wheat including exchange*  
25 *rates and currency regulations.*

1       “(c) Compliance by the producer with acreage allot-  
 2       ments, production goals, and marketing practices (excluding  
 3       marketing quotas) may be prescribed and required by the  
 4       Secretary as a condition of eligibility for price support and  
 5       for the receipt of wheat marketing certificates.”

6       SEC. 3. The first sentence of subsection (c) of section  
 7       201 of the Agricultural Act of 1949, as amended, is amended  
 8       to read as follows: “The price of whole milk, butterfat, and  
 9       the products of such commodities, respectively, shall be sup-  
 10      ported at not less than 80 per centum nor more than 90 per  
 11      centum of the parity price therefor.”

12      SEC. 4. The last sentence of section 201 (c) of the Agri-  
 13      cultural Act of 1949, as amended, is amended to read as  
 14      follows: “For the period September 1, 1954, to June 30,  
 15      1955, not to exceed \$50,000,000, and for the period July 1,  
 16      1955, to June 30, 1957, not to exceed \$75,000,000 an-  
 17      nually, of the funds of the Commodity Credit Corporation  
 18      shall be used exclusively to increase the consumption of fluid  
 19      milk by children in nonprofit schools of high-school grade  
 20      and under.”

21      SEC. 5. Section 204 (e) of the Agricultural Act of  
 22      1954, is amended to read as follows:

23      “As a means of stabilizing the dairy industry and fur-  
 24      ther suppressing and eradicating brucellosis in cattle the  
 25      Secretary of Agriculture is authorized to transfer not to

1 exceed \$15,000,000 for each of the two fiscal years ending  
2 in 1957 and 1958, from funds available to the Commodity  
3 Credit Corporation, to the funds appropriated to the De-  
4 partment of Agriculture for such fiscal years for the purpose  
5 of accelerating the brucellosis eradication program, for the  
6 purpose of increasing to not to exceed \$50 per head of cattle  
7 the amount of the indemnities paid by the Federal Govern-  
8 ment for cattle destroyed because of brucellosis in connection  
9 with cooperative control and eradication programs for such  
10 disease in cattle entered into by the Secretary under the au-  
11 thority of the Act of May 29, 1884, as amended, for the  
12 purpose of increasing the number of such indemnities, and  
13 for the purpose of defraying any additional administrative  
14 expenses in connection therewith. There are hereby author-  
15 ized to be appropriated annually such sums as may be nec-  
16 essary to reimburse the Commodity Credit Corporation for  
17 expenditures pursuant to this section.”

Amend the title so as to read: “A bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk; to authorize a domestic marketing certificate plan for wheat; and for other purposes.”



84<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

H. R. 12

[Report No. 203]

A BILL

To amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

By Mr. COOLEY

JANUARY 5, 1955

Referred to the Committee on Agriculture

MARCH 10, 1955

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued March 15, 1955  
For actions of March 14, 1955  
84th-1st, No. 45

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HIGHLIGHTS: House committee submitted minority views on 90% price-support bill. House committee reported Treasury-Post Office appropriation bill. Both Houses received Hoover Commission report on lending agencies, and Rep. Holifield criticized it. House subcommittee ordered reported Federal employees' uniform allowance bill. Rep. Edmondson criticized drought-relief program. Senate debated tax bill. Senate received report of Joint Committee on Economic Report.

## HOUSE

1. PRICE SUPPORTS. Received the minority report on H. R. 12, to reestablish 90% price supports for basic commodities, provide a two-price plan for wheat, provide for 80-90% supports on dairy products, extend the brucellosis program, and increase the school-lunch program (pt. 2, H. Rept. 203) (p. 2393).
2. FARM LOANS. Both Houses received from the Commission on Organization of the Executive Branch of the Government (Hoover Commission) a report on lending, guaranteeing and insurance activities of the Federal Government, pursuant to Public Law 108, 83rd Congress (H. Doc. 107); to Government Operations Committees. This report will not be available from the Legislative Reporting Staff. Pursuant to a special arrangement, each agency of the Department is ordering its own supply of the report directly from the Government Printing Office. (pp. 2322, 2393.)  
Rep. Holifield criticized the report, and stated that the recommendations if fully carried out "would make it harder for American citizens to buy homes or to get loans for their farms or businesses" (pp. 2390, A1716-7).
3. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 4876, making appropriations for the Treasury and Post Office Departments, and the Tax Court of the U. S., for the fiscal year 1956 (H. Rept. 204) (p. 2393).



4. DROUGHT RELIEF. Rep. Edmondson criticized the "inadequacy of the present drought relief program" and urged the "Secretary of Agriculture to do something aggressive and adequate to meet this very urgent problem" (p. 2390).
5. PERSONNEL. The Dowdy subcommittee of the Post Office and Civil Service Committee ordered reported to the full committee H. R. 3948, amended, to clarify the Federal Employees Uniform Allowance Act relative to enactment date (p. D197).
6. FOREIGN AID. Both Houses received the Seventh Semiannual Report on the Mutual Security Program, covering the period June 30-Dec. 31, 1954 (H. Doc. 97); to S. Foreign Relations and H. Foreign Affairs Committees (pp. 2321, 2389).
7. SURPLUS PROPERTY. The Government Operations Committee reported with amendment H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949, so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes (H. Rept. 206) (p. 2394).
8. FAMILY-SIZE FARMS. Rep. Patman inserted a Christian Century Foundation article, "Corporation or Family Farms?" favoring the preservation of family-size farms, and a statement comparing farming in two Indiana counties (pp. 2391-3).
9. INVESTIGATIONS. Agreed to as reported H. Res. 22, authorizing the Judiciary Committee to conduct studies and investigations relating to matters within its jurisdiction (pp. 2390-1). The resolution as passed includes matters relating to the operation and administration of the antitrust laws, including the Sherman Act, the Clayton Act, and the Federal Trade Commission Act.
10. TRADE AGREEMENTS; RECLAMATION; STATEHOOD. Received various State legislature memorials and a petition requesting the expiration of the 1934 Trade Agreements Act, approval for upper Colorado River Basin development, legislation for encouragement of small irrigation and reclamation projects, and urging statehood for Alaska and Hawaii (pp. 2394-5).
11. FORESTRY; SOIL CONSERVATION; SUGAR. Received various State legislature memorials urging consideration of an emergency program for control of spruce budworm in Mont., rejection of the proposal to transfer SCS activities to the States, and recommending amendment of the Sugar Act of 1948 in such a manner "as to enable the domestic sugar industry of the U. S. to have a fair and equitable share in our Nation's growth" (pp. 2394-5).
12. TREATIES; NATURAL RESOURCES. Received an American Legion Post petition expressing support of the proposed Bricker amendment to limit the President's treaty power, and a Lubbock (Tex.) Chamber of Commerce petition requesting passage of legislation "to correct the present situation as regards to Federal control over the production of any States' natural resources" (p. 2395).
13. LEGISLATIVE PROGRAM For today, Mar. 15, as stated in the "Daily Digest": Treasury-Post Office Departments and U. S. Tax Court appropriation bill for 1956 (p. D197).

# Union Calendar No. 42

|                              |   |                          |   |                     |
|------------------------------|---|--------------------------|---|---------------------|
| 84TH CONGRESS<br>1st Session | } | HOUSE OF REPRESENTATIVES | } | REPT. 203<br>Part 2 |
|------------------------------|---|--------------------------|---|---------------------|

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## PRICE SUPPORT PROGRAMS FOR BASIC COMMODITIES, WHEAT, AND DAIRY PRODUCTS

---

MARCH 11, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed with illustrations

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Mr. HARRISON of Nebraska, from the Committee on Agriculture, submitted the following

### MINORITY VIEWS

[To accompany H. R. 12]

H. R. 12 should be defeated.

This bill will not help farmers, but, on the contrary, will hurt farmers by continuing to provide an incentive for increasing production of commodities that are not needed, by curtailing the movement of production into domestic and export markets, and by piling up income-depressing surpluses in Government hands.

Rigid 90-percent price support will have the effect of continuing to build up larger and larger surpluses which will make present burdensome acreage restrictions all the more necessary.

We are for farmers getting the highest possible price consistent with maintaining markets which are necessary to continuing farm prosperity; however, the drastic cuts in acreage allotments directly due to the rigid high price supports is making it impossible for many farmers to continue operations. This is particularly true of many small farmers. For example, a farmer with only 100 acres of wheatland finds that he just can't make things go when he is required to take 40 acres out of production. The 60 acres on which he is allowed to produce wheat is not enough to fully utilize his family labor nor amortize the cost of his investments. After a farmer has gone bankrupt because he doesn't have enough to sell, it doesn't make much difference to him whether the support price is \$2 or \$1.75. In either case, rigid supports have forced him off the farm onto the city streets to look for a job.

With surpluses continuing to pile up and the cost of the price-support program mounting ever higher and higher, the day may be near at hand when the entire farm program will fall of its own weight in a manner similar to what it did in the case of potatoes. With no

price-support system, a greatly expanded agricultural plant, and huge surpluses hanging over the market, the stage would be set for an intolerable situation. By exercising responsibility now and giving the act of 1954 a chance to help farmers work out of their present difficulties, we will be doing a distinct service to agriculture and the Nation.

#### NONBASICS ARE IN BETTER SHAPE THAN BASICS

The arguments of those who favor price-fixing in agriculture would lead us to believe that there is no future for a commodity for which rigid price supports are not provided. We submit that the exact reverse is the case. Producers of commodities for which rigid price supports are not provided can look forward with more confidence and more hope in the future than can the producers of commodities faced with income-depressing surpluses created by rigid price-support programs.

It is an interesting and significant fact that the average price of nonbasic commodities has been higher (as measured by parity price relationships) in every year since 1940, except one, than the price of so-called basic commodities.

All the tremendous efforts, the special legislation, the CCC expenditures, the allotment and marketing quota programs, and all the other activity devoted to increasing the prices of basic commodities in recent years have not been successful in raising prices for such commodities above the general level of farm prices. On the contrary they have created extremely difficult and complex problems, and have necessitated the promulgation of complex and cumbersome production control programs.

Not only is the outlook for nonbasic commodities much better than the outlook for the basic commodities, but the major cloud in the future so far as the nonbasic commodities are concerned, is that the problems of the basic-crop producers are being transferred to the producers of nonbasic commodities. The loss of markets for basic commodities resulting from the rigid price-support programs is resulting in a diversion of acreage from basic crops to nonbasic commodities. Acreage diverted from basic commodities is going into the production of other commodities, thus adversely affecting the price and marketing situation for producers of such other products.

#### REASONABLE PRICE SUPPORT CAN HELP

Sensible farm price-support programs can be a real help to agriculture. They can help farmers to market their products in an orderly manner and avoid extreme price fluctuations not justified by the demand-supply situation.

But unless they are used cautiously—and by cautiously we mean so as to avoid the interference with the use of marketing of products in domestic and foreign markets, so as to avoid the stimulation of unneeded production in this and other countries, and so as to avoid the continued creation of income-depressing surpluses, they create more problems than they solve. In fact they become part of the problem.

Keep in mind that the Agricultural Act of 1954 doesn't go into effect until the 1955 harvest and does not get into full operation until 1956.



Let's give this law a chance to work. Farm income continues to decline under the program now in operation and H. R. 12 proposes to extend this income-depressing law for 3 more years.

#### GOVERNMENT PRICE FIXING IS A FAILURE

We submit that the experience with price fixing for farm products during the years 1947 to 1954 provides a factual demonstration of the impracticality and adverse consequences of this policy.

##### *Net farm income*

| Year: <sup>1</sup>             | Billions of dollars | Year—Continued                 | Billions of dollars |
|--------------------------------|---------------------|--------------------------------|---------------------|
| 1947 (peak)-----               | 16¾                 | 1951 (Korea)-----              | 14½                 |
| 1948-----                      | 15½                 | 1952-----                      | 13½                 |
| 1949-----                      | 13½                 | 1953-----                      | 13¾                 |
| 1950 (26 percent below 1947) _ | 12¼                 | 1954 (25 percent below 1947) _ | 12½                 |

<sup>1</sup> 90 percent rigid supports have been in effect for basics during all of these years.

Despite the fact that 90 percent farm price supports on so-called basic commodities were in effect through this entire period, farm prices continued to decline, and Government ownership of farm products continued to increase. Whereas the statutory borrowing power of the Commodity Credit Corporation never exceeded \$900 million prior to 1940, the Congress has found it necessary to increase the borrowing authorization periodically since then. In 1954 it became necessary for the Congress to increase the borrowing authority twice, once from \$6¾ billion to \$8½ billion and then to \$10 billion.

It is not accidental that practically all of the stocks owned by the Federal Government consist of commodities for which price support has been provided at a fixed level without regard to supply-demand relationships.

It is not surprising that the most serious production and marketing situations in agriculture today are for commodities for which price support has been fixed at 90 percent of parity.

It is not a coincidence that the producers of commodities for which the Government fixed price without regard to supply and demand factors face a far gloomier outlook than the producers of commodities that have no price supports.

It is, we believe, important to appreciate that the short-run expedient may have long-run consequences of great significance to the welfare of farm people. We need to distinguish between short-run and long-run effects. Price fixing may appear to be in the interest of farmers—in the short run. But the long-run consequences are harmful to farm incomes.

#### RESULTS OF PRICE FIXING

The first result of price fixing is that an artificial stimulus to produce commodities in excess of market demands is created. Many farmers who might otherwise stop producing a particular crop are discouraged from doing so. New farmers are encouraged to undertake the production of the supported crop. A supplemental factor is that many farmers will plant more acres of a supported crop than they otherwise would in order to insure that if marketing quotas are proclaimed they will have developed "history" of the supported crop so their allotment will be larger in the future.



TABLE I

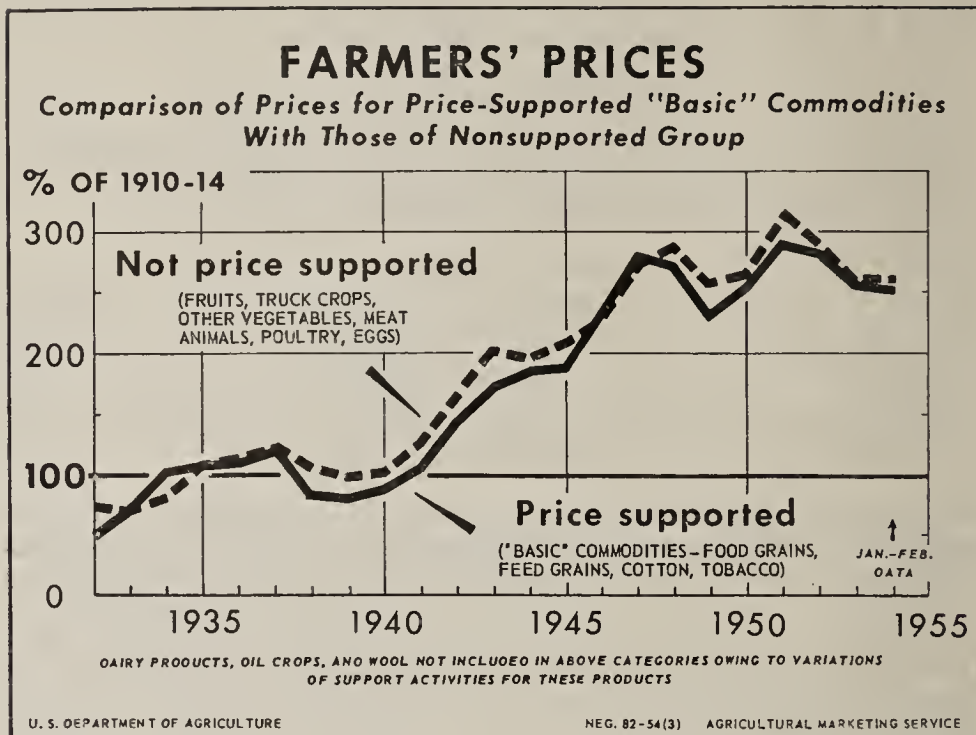
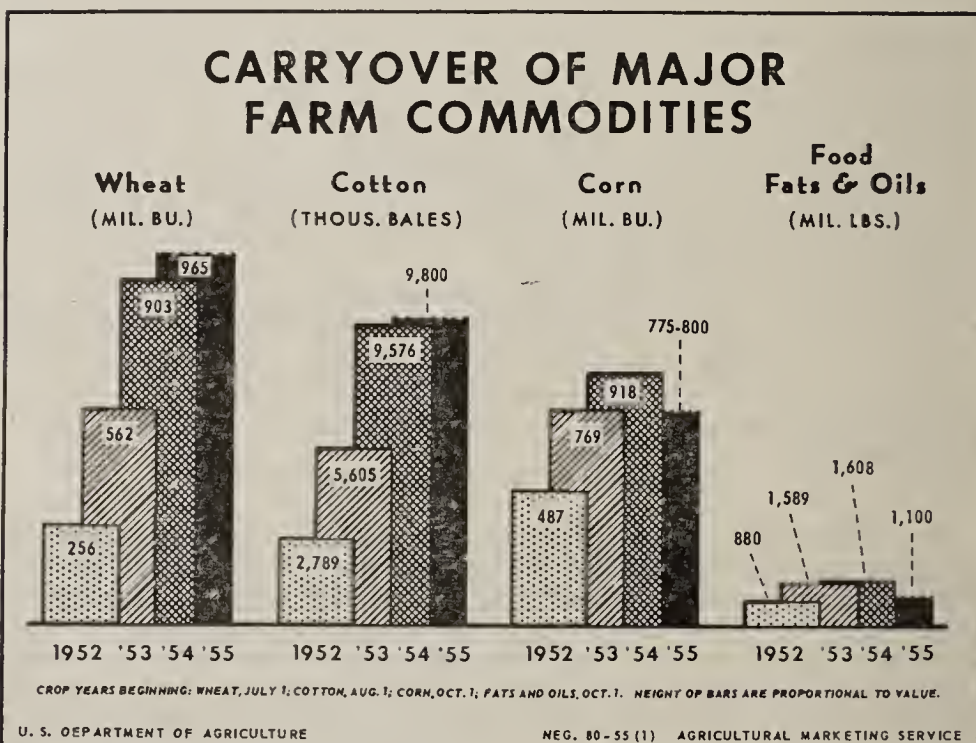


TABLE II



The second result of price fixing of farm products is that consumption is reduced. Demand is not rigid. Demand is variable. The amount of a product that consumers will use increases when the price goes down and decreases when the price goes up. This is more important for some commodities than for others but is important for all commodities. An important aspect of demand is the possibility of substitution, for example, vegetable oils for butter or synthetic fibers for cotton.

The third thing that happens when prices of farm products are fixed by Government is that it becomes more and more difficult for the United States to maintain its position in world markets. It is difficult or impossible to maintain exports when the United States price of a commodity is held artificially above the world price.

The fourth result is that production of such commodities is stimulated in other countries. Our price-support programs hold an umbrella over producers all over the world. Thus the acreage reductions in basic crops under the marketing quotas is offset by increased production of such products in other countries. This increased production in other countries is likely, once established at a new higher level, to remain at that level. Thus price fixing of farm products creates competitors in other countries that are ready and willing to sell below our fixed prices. It becomes more and more difficult for United States producers to enter world markets. Each additional year rigid prices are maintained, additional permanent competition is stimulated in other countries. Each additional year in which rigid prices are maintained the more farmers are injured by destroying the possibility of getting and maintaining foreign markets.

The inevitable result of the loss of markets and the increased production resulting from rigid price fixing in agriculture, is that surpluses pile up in the hands of the Federal Government.

These surpluses in themselves create difficult and complex problems. The Commodity Credit Corporation is not a market. It's just a storehouse. We have not as yet found any real good answers as to how we get rid of surpluses once they are acquired by Government.

#### SUMMARY

Rigid 90 percent mandatory price-support programs have failed to keep farm income from declining, created surpluses that have forced farm prices downward, held commodities off of the market at great cost to the Government, undermined public support for sound farm programs, lost foreign and domestic markets, assisted foreign competitors to take our markets, and have taken the right to produce away from both small and large farmers.

Finally, we repeat a statement by Dr. Edwin Nourse (formerly Chairman of the President's Council of Economic Advisers) who said in 1949:

Intercommodity price relationships must be kept consistent with basic trends in demand and supply conditions. To the maximum extent possible, parity-price relationships and support-price programs should encourage shifts to those commodities that are most wanted. Rigid systems of support, in violation of this principle, can only lead to rigid systems for restricting output that violate our tenets of economic freedom, that work against our objectives of maximum production, and that in the end take away from farmers' incomes through decreased volume as much as, or more than, they add through increased prices.

## DAIRY

Finally, we wish to record opposition to the proposal to increase the range of price support for dairy products from 75 to 90 percent of parity to 80 to 90 percent of parity. During the past year we have made dramatic progress toward bringing production and consumption of dairy products into balance. This is no time to "rock the boat" and disrupt the present program which appears to be enabling dairy farmers to successfully make the required adjustments.

Last year dairy price supports were \$3.15 per hundredweight for manufacturing milk and 56.2 cents per pound for butterfat. In January 1955, the Department of Agriculture announced that these price levels would be continued in 1955. It was estimated this would be 80 percent of parity for manufacturing milk and 77 percent for butterfat. Present estimates are that manufacturing milk will work out at 80 percent of parity and the 56.2 cents per pound on butterfat will work out at 76 percent of parity.

If rigid price supports are forced on the dairy farmer, inevitably surpluses will become so great that demands will be made to institute Government programs to cut production. Certainly dairy farmers do not want to embark upon a program of trying to control production by legislation.

The provisions of H. R. 12 which expand the milk program for school lunch and the brucellosis program through CCC for 2 more years may be desirable, however, this can be done as a separate measure or as a part of an appropriations bill. It is not necessary to pass them along with some very undesirable legislation.

R. D. HARRISON.

PAUL B. DAGUE.

KARL C. KING.

CLIFFORD G. MCINTIRE,

WILLIAM R. WILLIAMS.

HENRY ALDOUS DIXON.

PAGE BELCHER.

## FURTHER MINORITY VIEWS

Although I subscribe to the conclusion of the minority report, I feel compelled to submit these additional views so that my position may be clearly understood.

The bill as reported from the committee is highly discriminatory in that it does not deal fairly with that section of agriculture which has sustained the largest income drop since World War II. I refer, of course, to the dairy farmer.

Individual members of the majority have talked about the necessity of returning to 90 percent rigid supports for agricultural products. In reporting out this bill in its present form one must conclude that the majority are concerned only with 90 percent supports for corn, rice, peanuts, cotton, wheat, and tobacco but not for dairy products.

The support sections of this bill as reported by the committee serve no other purpose than to further increase the production costs of the dairy farmer. This new legislation would not have any effect upon the price of manufactured milk or cheese for the coming year, as the Secretary of Agriculture has announced that manufactured milk will be supported at 80 percent of parity for the marketing year, beginning April 1, 1955.

MELVIN R. LAIRD,  
*Member of Congress.*



## FURTHER MINORITY VIEWS

### WHEAT CERTIFICATE PLAN

H. R. 12 also provides for the institution of a multiple-price program for wheat. While this proposal has been discussed for a number of years in many wheat-growing areas, a hearing has not been held before the House Committee on Agriculture. Such a hearing is necessary in order to develop the kind of a record that will enable Members of this House to consider this plan in the light of the experience we have had with other Government programs. Consideration of this plan should not be prejudiced by tying it to the continuance of the discredited 90-percent mandatory price-support program.

R. D. HARRISON.







84th Congress }  
1st Session }

COMMITTEE PRINT

# PRICE-SUPPORT PROGRAM ON BASIC COMMODITIES

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## H. R. 12

A BILL TO AMEND THE AGRICULTURAL ACT  
OF 1949, AS AMENDED, WITH RESPECT TO  
PRICE SUPPORTS FOR BASIC COMMODITIES



MARCH 15, 1955

Printed for the use of the Committee on Agriculture

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1955



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PAUL B. DAGUE, Pennsylvania  
RALPH HARVEY, Indiana  
HAROLD O. LOVRE, South Dakota  
PAGE BELCHER, Oklahoma  
CLIFFORD G. MCINTIRE, Maine  
WILLIAM R. WILLIAMS, New York  
KARL C. KING, Pennsylvania  
ROBERT D. HARRISON, Nebraska  
MELVIN R. LAIRD, Wisconsin  
HENRY ALDOUS DIXON, Utah

### DELEGATES

E. L. BARTLETT, Alaska  
MRS. JOSEPH R. FARRINGTON, Hawaii

### RESIDENT COMMISSIONER

A. FERNÓS-ISERN, Puerto Rico

Mrs. MABEL C. DOWNEY, *Clerk*  
GEO. L. REID, Jr., *Assistant Clerk*  
JOHN J. HEIMBURGER, *Counsel*  
FRANCIS M. LEMAY, *Consultant*

## FOREWORD

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COMMITTEE ON AGRICULTURE,  
HOUSE OF REPRESENTATIVES,  
*Washington, D. C.*

Believing that a 90 percent of parity price support program for basic agricultural commodities is not only in the interest of the producers of such commodities but is also in the interest of the welfare of all of the people of our country, I introduced, on January 5, 1955, H. R. 12, a bill to amend the Agricultural Act of 1949, as amended, with respect to price support for basic commodities.

Members of the House Committee on Agriculture were eager to know the views of the consuming public concerning this very important proposal, and extensive hearings were held by the committee. Numerous persons expressed their views fully, freely, and forthrightly.

For the first time during my 20 years' service on the House Committee on Agriculture distinguished labor leaders appeared in our committee room to speak in behalf of legislation beneficial to farmers. Each labor leader who expressed views for himself and the members of his organization supported and urged the adoption of H. R. 12, which would restore the 90 percent of parity price support program for the basic agricultural commodities.

Mr. Walter Reuther, president, Congress of Industrial Organizations, actually made the best farm speech that I have heard in our committee room during the entire 20 years that I have served on the House Committee on Agriculture. I commend Mr. Reuther's speech to the careful consideration of both producers and consumers, to the end that both groups might have a better understanding of the many problems involved.

I also commend Mr. George Meany, president, American Federation of Labor, for his comments concerning the price-support provisions of H. R. 12.

The Textile Workers Union of America strongly supports the position taken by CIO president, Walter Reuther, as will be indicated in the views expressed by Mr. William Pollock, executive vice president, Textile Workers Union of America.

The Amalgamated Clothing Workers of America and the Communications Workers of America likewise support and urge the adoption of the price-support provisions of H. R. 12, as indicated in the views expressed by Mr. Jacob S. Potofsky, general president, Amalgamated Clothing Workers of America, and Mr. J. A. Beirne, president, Communications Workers of America.

Members of the House Committee on Agriculture are grateful to these outstanding and distinguished labor leaders for the expression of their views concerning this very important subject.

The producers of basic agricultural commodities want the price support provisions of H. R. 12 enacted. The consumers of America

join with the producers in urging the approval of H. R. 12, which will be considered in the United States House of Representatives at an early date.

Herewith I submit the statements of Mr. Walter Reuther, Mr. George Meany, Mr. Jacob S. Potofsky, Mr. William Pollock, and Mr. J. A. Beirne.

HAROLD D. COOLEY, *Chairman.*

## PRICE-SUPPORT PROGRAM ON BASIC COMMODITIES

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STATEMENT PRESENTED BY CIO PRESIDENT WALTER P. REUTHER  
BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, FEBRUARY 25,  
1955

In its report accompanying the agricultural bill last year, this committee declared:

The committee deplores any tendency, in the consideration of farm programs, toward a separation of the interests of the farmers and our great consuming populations of the cities. These interests are one and the same. They are inseparable \* \* \*.

This declaration, which the CIO wholeheartedly supports, comes at a time when an unprecedented effort is being made to divide the city worker from his farm brothers. Over the last 2 years, we have witnessed the sorry spectacle of a deliberate campaign by leaders of the Eisenhower administration to persuade city workers that long-established Government programs to aid agriculture are the cause of high food prices. We of organized labor have been frankly shocked at the nature of this campaign; it is not flattering to realize that the present administration thinks so little of our sense of community responsibility that it assumes city workers can be turned against the farmer for political purposes by base appeals to narrow self-interest.

In his desperate effort to win support in the cities for his program to reduce farm price supports, Secretary of Agriculture Benson has led in misrepresenting the effects of the price-support program upon the consumer. It is commendable that the actual facts to the contrary in this regard were set forth by the majority of this committee in the report which the then chairman of this committee, Representative Hope, submitted to Congress last year. The CIO is happy to join in endorsing these findings. We know that even in 1947, the best postwar year for agriculture, 70 percent of all farm families earned less than \$3,000. We also know that most of the price we pay for food does not go to the farmer and that the effect of price supports on the prices we pay is very small. Even if dairymen got their feed grains free, it would mean only about 1 cent a quart savings on milk. The effect of the difference between the 75- and 90-percent price support levels for corn and wheat on the price of milk has to be measured in fractions of a mill, which means that no savings whatever will be passed on to the consumer.

I assure the committee that this effort to set city workers against the farmers has not succeeded in the slightest so far as members of the CIO are concerned. Our bonds of friendship and common interest with the farmers are stronger today than ever before.

Hundreds of thousands of CIO members working in rubber plants, steel mills, automobile and agricultural implement factories, and other



industries throughout the Nation were raised on the farm. Many more have friends and relatives still living there. It was only natural, therefore, that our organization, from its very beginning, has had a deep feeling of kinship for America's farm families and an abiding concern for the welfare and preservation of the family-owned farm as the keystone of American agriculture.

Aware of the lessons of history, we know that the welfare and destiny of farmers and wage earners are closely interrelated, that each depends upon the prosperity of the one to lift up the living standards of the other. In 1918, when the incomes of agricultural workers reached a new peak, those of industrial workers were not far behind. Contrariwise, when farm incomes skidded to a new low in 1932, the incomes of nonfarm workers followed, while unemployment reached a total of 12 million people. The same common fate was experienced by farm and city workers as their incomes moved up during World War II, downward immediately thereafter, and upward under the impetus of increased defense production during the Korean war.

Developments of the last 2 years, when unemployment has increased and the entire economy of our Nation has been adversely affected as the result of declining farm income, have given CIO members renewed awareness of the importance of a prosperous agriculture in preserving the security of their jobs in the cities. As farm prices fell and farmers stopped buying products of the cities, we have seen the livelihood of many thousands of our members in farm machinery and related industries such as steel quickly vanish. We have seen this depressing effect spread to other industries and small-business men. As unemployment grew and business failures increased, prices and purchases of farm products suffered a further decline.

Certainly today we must recognize the basic economic fact that in our modern society, the well-being of every group is increasingly dependent on the sustained well-being of all the others. The CIO is testifying here today, not because we profess to be experts on the so-called farm problem but because we believe this principle of interdependence is particularly true in the relationship between farmers and industrial workers.

We do not come before you to urge the adoption of any one long-range economic program for agriculture as offering the best solution to the farmers' needs. The CIO does not claim that it is qualified to make this decision, even if it were proper for it to do so. Were we as city workers to attempt to determine the best policy for the farmers' interests, we believe we should go as far afield, and be as equally incompetent in our qualifications, as some spokesmen for farm organizations I might name have been incompetent and lacking in understanding when they attempted in the past to spell out policies dealing with industrial relations and welfare. The CIO will not attempt to tell the farmers what kind of agricultural program they should have to protect their interests. We do, however, offer our assurances that we will give to farmers our full backing in their efforts to obtain agricultural policies which will both provide the Nation abundant production of food and fiber and assure farm families full parity of income. This pledge is made unequivocally and without reservation.

The CIO is not a Johnny-come-lately friend of the farmer. The record shows that over the years since our organization was founded we have consistently supported those farm programs which in the

course of two decades brought to American agriculture a prosperity and abundance never before equaled in history. These achievements began in the 1930's when the farmers democratically joined forces with a sympathetic Government to develop methods of increasing farm security and living standards while protecting the Nation's interest in soil conservation and adequate supplies of agricultural products. The CIO not only has given its backing to the program of price supports to protect farmers against ruinous price declines in years when reserve supplies built up, but it consistently has supported those other related programs like soil conservation, farm housing, rural electrification, farm credit and irrigation, flood control and public power projects which have done so much to lift the living standards of American agriculture.

Our support has never faltered, nor has it ever demanded a quid pro quo. We do not seek that now. The CIO believes that no part of the American community can progress in any real and permanent sense except as the whole of the American people make progress. We have said many times that we will make our progress only with all other elements of the community, not at their expense. There have been times in the past when we have found most of the farm organizations and a majority of Congressmen from rural areas arrayed against us in our efforts to protect the interests of American workers, but we have never allowed legislative defeats to blind us to the fact that farm prosperity is essential to the prosperity of industrial workers and the Nation. We are confident that the day is not far off when farm organizations and an overwhelming majority of legislators from rural areas will realize that the reverse of this is also true—that the farmers of the Nation can prosper only as the working men and women who purchase the products of the farm are also prospering.

The growth of labor unions over the last 20 years and the extension of collective bargaining with the resulting increase in real earnings for millions of union members and nonunion members as well, has truly brought great benefit to the Nation's farmers as well as to ourselves. The economic opportunity which enabled farmers to make greatly increased investments in machinery and better farming practices would not have been possible without high levels of employment, rising wages of industrial workers, and generally higher incomes throughout the Nation. These latter factors provided expanded markets for farm products at good prices, and the incomes of both farmers and industrial workers rose rapidly and along parallel lines. United States Department of Agriculture studies show that food expenditures of city families always rise rapidly as their incomes increase. And when the wages of city workers fall off, they reduce their buying of farm products.

It is fair to point out that just as the purchasing power of city workers helped make it possible for farm production to mount, it was our support that helped implement and finance the program which the farmers themselves initiated in 1933 to assure that the production of abundance would not ruin those producing it. Modern farming requires constantly increasing capital. The farm mechanization which spread so rapidly after 1935 undoubtedly would not have taken place if the price-support program had not guaranteed farmers who invested in machinery that price declines would not bring disaster.

Because of these considerations, the CIO has been greatly concerned over developments in the farm economy over the last 2 years. The



present administration by its own declarations is quite clearly committed to a deliberate program of driving farm prices down. Since it came to office, it has succeeded only too well in realizing this aim. Farm prices, cash receipts from farm marketing, and the realized net income of farm operators have all moved markedly downward.

The present administration appears to us to be responding to the plight of the farmer with the same disregard it has shown toward the growing ranks of unemployed workers in our cities. Only last week, in the face of the farm situation I have just outlined, Secretary Benson appeared before this committee and insisted that "the overall financial condition of agriculture has continued sound."

There is even a similarity in the phrases which the administration has been using to explain its refusal to deal with both the farm and industrial downturns. When labor urged action to check growing unemployment, we were told that the decline in employment was only a "leveling off" from wartime production: exactly the same words are used to account for the farm crisis. Meanwhile, administration spokesmen have heaped abuse upon labor and farm spokesmen demanding remedial action. The former were called prophets of gloom and doom for predicting only the rise in unemployment that later came to pass. Critics of Secretary Benson's policies, in turn, have been disparaged as "crafty and subtle people" and "those who stand to gain from fear mongering." In response to farmers' pleas for aid, Mr. Benson has, in speech after speech, responded by lecturing them on the necessity of working harder, assuring them that he does not "believe farmers want to become wards of the Government," and that they "deserve to stand on their own feet." Price supports, he declares, "are a form of relief to be used only in emergencies," and the full parity prices which the President once promised now have become something which the Government cannot assure "without state socialism." He blames the farm programs which made agriculture prosper for having undermined the "moral fiber" of farmers, yet at the same time he accepted what Republicans called the "immoral" principle of the Brannan plan in the administration's wool program. This kind of talk pulls the wool over no one's eyes, least of all farmers and workers.

Admittedly, the farm problem is complicated and even the experts may hold differing opinions over the best way to solve it. But of one conclusion there can be no intelligent challenge: A drop in farm income of \$1.6 billion over a 2-year period with the end not yet in sight does not indicate a sound financial condition. It is not sound for agriculture and it is not sound for the national economy as a whole. The Commerce Department has estimated that a \$1 billion drop in farm income results in a drop of \$240 million in farm spending for buildings and machinery. This cutback has already been felt, and its effects are cumulative. It is important to remember just how important farm purchases are in our total economy. Farmers normally use more steel in a year than goes into the output of automobiles; more petroleum than any other industry; enough raw rubber annually to put tires on 6 million cars; and enough electricity to meet the needs of the cities of Chicago, Detroit, Houston, and Baltimore combined. Agriculture also consumes great quantities of chemicals and other materials. Thus it is clear why agricultural purchasing power must be maintained if a faltering farm economy is not once again to drag the rest of the economy into a farm-led depression.

What the administration and its "trickle down" economists fail to understand about present-day economic needs is that as the productivity of our economy rises, the incomes of both farm and city families must continually rise if they are to be able to buy the increasing flow of goods and services which the rising efficiency of our industrial system makes possible. Our present troubles are due to the fact that too much of the profits have been going to the top and staying there. Wages and farm income have not risen fast enough to keep up with rising production.

The CIO believes that all segments of our Nation—farmers, labor, business and government—must join in a crusade to raise the consumption of every American family, but particularly those whose need is greatest and whose increased income will most rapidly result in increased purchases of daily necessities. Millions of farm families are currently living under conditions which are indefensible. We can understand what such living means because many city people live under nearly identical conditions.

According to a recent budget study by the United States Department of Labor, a city worker's family of 4 must have an income of about \$4,300 these days to provide a minimum standard of living. This minimum budget, which makes no allowance for savings to take care of sickness or other emergencies, may seem high by farm standards, but it must be remembered that city consumption is entirely dependent upon money income. Even this minimum budget, however, is far above the average wage in manufacturing, and there are several million American workers who still earn less than 75 cents an hour, or under \$1,500 a year. Federal and State minimum wage laws—which are intended to provide workers the same kind of protection of income which parity price support programs perform for farmers in agriculture—still leave two-thirds of the labor force unprotected from substandard wages. In 1952, according to Government studies, more than half of the 54 million consumer spending units in this country had incomes below \$3,500. Even today millions of families live on less than \$2,000 annual income.

These figures reveal a tremendous potential domestic market for both the products of industry and the farm. Sales to this market, however, will be brought about only as we find ways and means of lifting the consumer power of these millions of families who already are awaiting the opportunity to become better customers.

This economic philosophy prevents the CIO from having any sympathy whatsoever with the theory of the present administration that the way to sell more farm products to low and middle income families is through a reduction in farm prices that in turn will reduce farmers to insolvency. Recent developments do not support such theorizing. Throughout this period of falling farm prices, the prices which farmers and consumers have had to pay did not go down but held near record peaks. The CIO believes that this situation is patently unjust and must be corrected. We know that the farmer, like the worker, is entitled to a just return for his labor, which will permit him to share in the better life made possible by our increasing productivity. We believe that the answer to our economic needs involves raising the buying power of millions of our families without tearing down the standards of others in the process.

The CIO therefore fully supports H. R. 12 and similar bills to re-establish 90 percent of parity price supports for basic agricultural



commodities at this time. I want to make it clear, however, that CIO's historic position has been that the farmer is entitled to full 100 percent parity of income. Anything less than that will deprive the farmer of a fair opportunity to realize his just place in society.

It is clear from the fact that farm prices have now fallen to 86 percent of parity that the present level of supports is not adequate, particularly when the existing sliding scale program is left for administration in the hands of officials obviously bent upon setting the support level as low as possible. Reenactment of the former mandatory 90 percent level thus is manifestly necessary not only to prevent further decline but to raise farm prices to a more nearly equitable position.

The administration's main argument against the 90 percent support level has been that it is the cause of "excessive production" resulting in the so-called farm surpluses. Secretary Benson told this committee last week that "If we should give a flat guaranty of 90 percent of parity, as some farm bills propose, we would undercut the incentive to keep supplies in line." The administration theory is that falling prices will induce farmers to cut production of surplus crops and thus balance supplies with demands.

The CIO does not agree with the administration that a very large carryover of wheat, corn, and other reserves of foods and fibers from year to year must necessarily be considered a burden. We regard a properly administered reserve of food and fiber as a worthwhile form of consumer insurance that is better than money in the bank. In time of drought or other crop failure, a favorable bank balance will not feed the hungry. Such reserves are the same kind of national protection which we have set up in the form of "strategic stockpiles" of metals and minerals. It is important to note that the cost of maintaining the reserves of agricultural products has been small in comparison to that of the stockpiles of rubber, tin, and other reserves required for armament. The cost of carrying these insurance reserves and holding them off the market is quite properly a charge on the Public Treasury, since neither farmers nor industry should be asked to pay for protecting the entire Nation against the risks of unforeseen disaster.

Actually, the CIO is not ready to accept the notion that we have a farm "surplus" so long as millions of our families are living on diets that are below the safety line. Nor can we regard abundant food production as a calamity so long as half the world goes to bed hungry every night and all of our output couldn't begin to feed the world's hungry nations adequately. The overall need for the food we produce is clearly evident. Instead of cutting back production, we must devise more efficient uses for that portion of our harvest that is surplus to our own national needs. Rather than blaming our farmers for "inefficiency" as Secretary Benson has done, we should be grateful for the enterprise they have shown in producing abundance.

Let us recognize that food production must continue to increase if we are to feed our growing population, now increasing at the rate of over 7,500 mouths and stomachs a day. We are told that by 1975 we will need at least 25 percent more food than is now being produced just to provide for this additional population and provide for agriculture its proportional share of progress in a full-production economy. To also bring about the essential improvements in the diets of the several million American families still living at levels of inadequate nourishment will require an even greater growth. This will not just happen. It

can only be brought about if we plan carefully and act wisely in the years to come. The standard of living of children still unborn depends directly on the decisions currently being made by this Congress.

Furthermore, food is freedom's best ammunition in the fight against totalitarian infiltration and conquest. The production and effective use of an abundance of American foods as munitions of peace may be a crucial factor in saving the peace. A bushel of wheat, a case of dried whole milk will do a lot more good in most instances than a 6-inch shell or a machinegun in winning the support of hungry peoples. Food did help to win World War II and in the establishment of a measure of peace: it should now be used to the limit of safe United States reserves to make peace secure.

In this connection, the CIO supports the idea of an international food reserve. As we understand it, our surplus food would go into a pool and hungry peoples would pay for it with the proceeds being used for capital investment in their country to build up their economy and their standard of living and purchasing power. That seems to us to make sense, since it would be infinitely cheaper than another world war.

With agricultural producers confronted by such great needs, it is unrealistic to expect our farmers to be able to meet them unless we adopt abundance as a national policy and assure our agricultural producers that they will not suffer if they overshoot the mark and produce more than can currently be sold. The administration advocates freedom of action for the natural laws of supply and demand in agriculture alone. It has not proposed that we should let free markets take care of the expansion necessary for adequate defense production. Suppliers of defense orders are not objecting to the high prices guaranteed them by the Government. Builders have not hesitated to take advantage of Government-guaranteed loans. Big corporations have welcomed the provision which permits them to write off the cost of new plants and equipment at a greatly accelerated rate. Surely we have just as much to gain by making sure that our farms will be able to meet our future needs.

As you devise our farm policies to obtain this goal, we hope you will give careful attention to the welfare of the family farmer. Our Nation's pattern of family-type farming has given us a way of life which has made a major contribution to our democracy. It has proven the most successful kind of agriculture and it must never be destroyed by policies which help the big farmer at the little farmer's expense. Yet it is the family farmer, long the backbone of American agriculture, who is deliberately being made to suffer by the policies of the present administration. The Under Secretary of Agriculture has bluntly declared that there are too many farmers and that one of the faults of price supports is that they tend to keep "marginal farmers" in business. It would be better, he contended, if they went out of business and left it to their big, "efficient" competitors.

The CIO regards the growing concentration of the production of food and fiber in our larger farms as the most crucial farm problem facing the Nation. Our concern with the farm program other than that it be adequate to our needs is that it bring the greatest degree of prosperity to the greatest number of farmers. It is now clear that the farm price-support program, which we favor, cannot alone meet the needs of the vast majority of them.



The CIO intends and hopes to be able to continue its support of the farm programs as we have in the past. But in order to continue to hold the full and unqualified support of city workers, the farm programs of the future must reach beyond the prosperous one-third and hold out some meaningful assistance to the forgotten two-thirds. Thought should be given at once to finding the methods by which this can be done.

Because the resolution on farm policy adopted at the last constitutional convention of the CIO last December in Los Angeles deals with this problem, I append it to this statement.

FARM PROGRAM RESOLUTION ADOPTED BY THE 16TH CIO CONSTITUTIONAL  
CONVENTION DECEMBER 1954

The Republican administration in Washington is committed to a campaign to drive farm prices down. In October, prices received by farmers were 9½ percent lower than when the Republicans took office in January 1953. At that time farm prices represented 92 percent of parity; today they stand at 87 percent, the lowest since early 1941. In 1954, the net income of farm operators will be 6 percent less than in 1953 and 8 percent less than in 1952. And the farm bill that was put through Congress this year schedules further farm price reductions in 1955 and 1956.

The Congress of Industrial Organizations is deeply concerned over this continuing deflation of farmers' purchasing power. It reduces the market for industrial products and narrows the job opportunities and security of all city workers. It presents a serious threat to the economic welfare of the entire Nation.

We have further reasons to protest the effect of this new so-called agricultural program. Its declared purpose in driving farm prices down is to curtail production; but in electing to rely upon low prices to control farm output, the Republicans must know that their program will ultimately force many small farmers off the land.

Top spokesmen for this misguided policy have admitted that it is their purpose to eliminate small farmers and compel them to go to the cities to find work. Under Secretary of Agriculture Truc D. Morse and Commodity Credit Corporation President John H. Davis were quoted to this effect in the newspapers as far back as the spring of 1953.

The executive vice president of the National Council for Farmers' Cooperatives H. L. Brinkley (Ezra Taft Benson's successor in that post and an ardent adherent of the Benson farm philosophy), said frankly last August that he is in favor of "cutting price supports to a point where marginal producers will be driven out of farming." This inevitable displacement of American families "would be a social, not an agricultural, problem" he declared.

A social problem it is, and one that should deeply concern all city people as well as the farm families of the Nation. Any farm program which accelerates the tendency of big-business farm enterprise to drive smaller farmers off the land would once again subject an important group of our fellow Americans to the brutal laws of the jungle, just as the industrial workers in the cities were subjected to this same law before they organized into unions for their mutual protection.

For many years there has been a disturbing trend toward concentration in American agriculture. In 1950 more than half of all farmland in the United States was held in farms of less than 250 acres; today, however, more than half of it is in farms of 500 acres or more, and 42 percent of it is in farms of more than 1,000 acres.

Farms classified by the Census Bureau in 1950 as "large farms" represented only 1.3 percent of all the farms in the United States, yet they sold 24 percent of all the wheat, 28 percent of all the cattle, 28 percent of all the fruit, 42 percent of all the vegetables, 44 percent of all the sheep and lambs, 49 percent of all the wool, and 57 percent of all the sugar cane sent to market by farmers in that year.

Under the stimulus of Republican policies the trend toward dominance by big-business farmers and remote-control farm-management syndicates is stimulated and the existence of self-supporting independent farms is threatened.

Surely it is possible for the American people to devise a farm program through which this trend away from the independent family-size farm can be checked and, perhaps, reversed. Proposals already advanced by Congressman Wright Patman and others would restore price supports to at least 90 percent parity but would limit such support to the normal production of a family-operated farm.

Direct production payments (like those enacted by the Republicans exclusively for the woolgrowers) might be instituted generally, and these would represent the difference between the market price of farm commodities and the 90 percent support guaranty. The larger farm enterprises, however, would receive no price guaranty for that part of their output which exceeded the protected norm.

Under this procedure, retail food prices would tend to be lower, the income of the average farm family would be higher, and the cost to the American people as taxpayers and consumers would be smaller and more equitably distributed.

Furthermore, the CIO believes that this proposal, or some feasible variation of it, will generate more consumption through lower prices and thus gain support from Congressmen from city districts who in the past have not supported a strong farm program. It is our belief that the new Democrat-controlled 84th Congress can and must enact a program of this nature if the increasing power over American agriculture of our biggest farm producers is to be checked and the ill-advised effort to incite city consumers against reasonable measures to protect farm security is to be frustrated.

Unless our farm families and city families both prosper, neither will prosper for long. There can be no lasting security for industrial workers if the farm families of the Nation are insecure. On the other hand, the history of America has proved that there can be no lasting security for farm families unless city workers' families are also prosperous: Now, therefore, be it

*Resolved*, That we call upon the leadership of the 84th Congress to enact a new farm program which will assure a fair return for those who work on the land, protect the welfare of the average family-size farm enterprise, and therefore, reverse the existing policy which so dangerously threatens to speed up the concentration of agricultural production in the hands of giant industrial farms.

To assure passage of such legislation, we further urge the closest consultation and cooperation between the Members of Congress from both city and rural districts on the parallel measures which must be enacted to provide security for the families of workers on the farm and in the cities alike.

In a similar spirit the Congress of Industrial Organizations will continue to cooperate with all farmers and farm organizations in a mutual effort to raise the living standards of all Americans.

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AMERICAN FEDERATION OF LABOR,  
Washington 1, D. C., March 7, 1955.

HON. HAROLD D. COOLEY,  
*Chairman, House Agricultural Committee,*  
*House Office Building, Washington, D. C.*

DEAR MR. CHAIRMAN: This is in reference to H. R. 12 and similar bills, pending before your committee, intended to lift farm price supports from their present inadequate level.

We in labor are disturbed by the steady decline in farm income. The interdependence of farmers and industrial workers in our economy is manifest. The farmer obviously must sell his products to those who work in the cities at a fair price in order to buy clothes, tools, and machinery he needs. Conversely, the city worker must be able to sell the product of his toil to the farmer if he wants to go on working and eating.

From past experience it is common knowledge that when one group suffers, the other is equally hard hit. Mass unemployment and wage cuts result in shrinking markets and falling prices for the farmers. Reduction of farm income eventually means factory layoffs and breadlines for the city worker.

I, for one, believe that the free enterprise economy of our country must be based upon a three-way balance between free farmers, free labor, and private industry, with each entitled to a just share of the rewards of production. That balance is threatened today by inadequate farm price supports, resulting in an unjustified drop in farm income. It seems to me that the unbalance can be corrected



promptly and effectively by the adoption of legislation raising farm price supports, such as H. R. 12, the bill you are sponsoring.

It is my sincere hope that your committee will act favorably on your bill and that it will be enacted by Congress at the earliest possible date.

Sincerely yours,

GEORGE MEANY,  
*President.*

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WASHINGTON, D. C., March 9, 1955.

HON. HAROLD D. COOLEY,  
*Chairman, House Agricultural Committee,  
House Office Building, Washington, D. C.:*

As president of the Communications Workers of America, representing more than 300,000 telephone workers in almost every hamlet, town, and city throughout the United States, I wish to congratulate you upon the leadership that you are giving to your committee to obtain a 90-percent parity to the farmers of this country. Farmers, we believe, have an equal concern for the restoration of full employment and sustaining the purchasing power of all workers. We believe that there is a need for legislation designed to strengthen farm economy, restore confidence to farmers, and improve the income of farm families. If there is anything we can do to assist you do not hesitate to call upon us.

J. A. BEIRNE,  
*President, CWA-CIO.*

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NEW YORK, N. Y., March 9, 1955.

HON. HAROLD COOLEY,  
*Chairman, House Committee on Agriculture,  
House Office Building, Washington, D. C.:*

Amalgamated Clothing Workers of America have membership throughout the industrial North and West and many sections of the South and we are in complete support of your efforts to raise levels of farm income through enactment of 90-percent price supports. We wish you every success.

JACOB S. POTOFISKY, *General President,  
Amalgamated Clothing Workers of America, CIO.*

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NEW YORK, N. Y., March 9, 1955.

HON. HAROLD COOLEY,  
*Chairman, House Committee on Agriculture,  
House Office Building, Washington, D. C.:*

The Textile Workers Union of America strongly supports position taken by CIO President Walter Reuther in testimony before your committee supporting your bill to obtain equity for farmers through 90-percent price supports. This bill should have the support of every fair-minded Representative interested in achieving a fully employed economy.

WILLIAM POLLOCK, *Executive Vice President,  
Textile Workers Union of America, CIO.*











16. LEGISLATIVE PROGRAM, as stated by Majority Leader Johnson: "Our plan is ... to have the Senate meet tomorrow for a short routine session, and then recess or adjourn until next Monday and have a calendar call on Monday. If the Committee on Appropriations has reported the Agricultural appropriation bill in time to have it considered, we expect to take it up on either Tuesday or Wednesday. We are hopeful that we shall have another appropriation bill during the week, which will be followed by the bill extending the Trade Agreements Act." (pp. 4048, 4080.)

HOUSE

17. POSTAL PAY. Passed with amendments S. 1, to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department (pp. 4087-4123). Adopted three amendments submitted by Rep. Moss, which would require a report by the Postmaster General to Congress by Jan. 15, 1956 relative to the operation of the new reclassification program; increase postal salaries by an average of 8.2% in lieu of 7.6% (by a record vote of 224-189); and make the salary increase retroactive to Mar. 1, 1955 (pp. 4115-21).
18. AGRICULTURAL STABILIZATION COMMITTEE. Rep. Moulder claimed "dictatorial abuse of power and authority of the State Agricultural Stabilization Committee of Missouri," urged that the House Agriculture Committee investigate methods being practiced by the ASC, and inserted a Missouri State legislature resolution on this subject (p. 4124).
19. PRICE SUPPORTS; MONOPOLIES. The "Daily Digest" states that the Rules Committee will consider today (Apr. 21) H. R. 12, the price-support bill, and H. R. 4954, ~~to recover damages under antitrust laws~~ (p. D315).
20. FORESTRY. The O'Brien subcommittee, Interior and Insular Affairs Committee agreed to report with amendments H. R. 4853, to authorize sale of certain land in Alaska to the Pacific Northern Timber Co. (p. D314).
21. FARM LOANS. The Housing Subcommittee, Veterans' Affairs Committee, ordered favorably reported a bill (similar to H. R. 5420) to be introduced today (Apr. 21) by Subcommittee Chairman Edmondson, to extend the VA direct-loan program to June 30, 1956 (p. D315).
22. FOREIGN AID; NATURAL RESOURCES. Rep. Patman stated that "Congress should put its foot down on any further aid to bolster the economy of a foreign nation until we have made available at least \$1 billion a year in the U. S. for water and soil conservation, flood control, hydroelectric dams ... and the development of other natural resources (p. 4086).
23. ACHIEVEMENT AWARD; PERSONNEL; EDUCATION. Received from the Department of Health, Education, and Welfare, proposed bills to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement, and to provide for the establishment of a Federal Advisory Commission on the Arts; to Education and Labor Committee (p. 4126).

BILLS INTRODUCED

24. WHEAT. S. 1750, by Sen. Carlson, to amend the Agricultural Act of 1949, as amended; to Agriculture and Forestry Committee (p. 4032). Remarks of author (pp. 4035-7).  
S. 1770, by Sen. Morse (for himself and others), to amend title III of the Agricultural Adjustment Act of 1938, as amended, so as to provide for the issuance of wheat marketing certificates; to Agriculture and Forestry Committee (p. 4032). Remarks of author (pp. 4040-1).
25. FARM LOANS. S. 1755, by Sen. Johnston, S.C., and S. 1764, by Sen. Thurmond, to amend the act of Apr. 6, 1949, as amended, and the act of Aug. 31, 1954, so as to provide that the rate of interest on certain loans made under such acts shall not exceed 3 percent per annum; to Agriculture and Forestry Committee (p. 4032). Remarks of Sen. Thurmond (p. 4040).  
S. 1758, by Sen. Ellender, to amend the Bankhead-Jones Farm-Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans; to Agriculture and Forestry Committee (p. 4032).
26. WATER CONSERVATION. S. 1756, by Sen. Wiley, to amend the Soil Conservation and Domestic Allotment Act so as to permit the making of payments to farmers for certain water-conservation practices; to Agriculture and Forestry Committee (p. 4032).
27. MARKETING. S. 1757, by Sen. Ellender, to amend the act known as the Agricultural Marketing Act of 1946, approved Aug. 14, 1946; to Agriculture and Forestry Committee (p. 4032).
28. EXPERIMENT STATIONS. S. 1759, by Sen. Ellender, to consolidate the Hatch Act of 1887 and laws supplementary thereto relating to the appropriation of Federal funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico; to Agriculture and Forestry Committee (p. 4032).
29. ORGANIZATION. S. 1763, by Sen. McClellan (for himself and Sen. Bridges), H. R. 5704, by Rep. Brown, Ohio, and H. R. 5720, by Rep. Holifield, relating to the extension and the final liquidation of the Commission on Organization of the Executive Branch of the Government; to Government Operations Committees (pp. 4032, 4126-7).
30. ELECTRIFICATION. H. R. 5706, by Rep. Buckley, to authorize the construction of certain works of improvement in the Niagara River for power and other purposes; to Public Works Committee (pp. 4126-7).
31. DISASTER RELIEF. H. R. 5716, by Rep. Elliott, to provide relief to farmers and farmworkers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes; to Agriculture Committee (p. 4127).
32. FORESTS. H. R. 5742, by Rep. Hope, to amend the act of July 31, 1947 and the mining laws to provide for multiple use of the surface of the same tracts of public lands; to Interior and Insular Affairs Committee (p. 4127).







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued April 22, 1955  
For actions of April 21, 1955  
84th-1st, No. 66

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HIGHLIGHT; Senate committee ordered reported USDA appropriation bill.

## SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1956. The Appropriations Committee reported with amendments this bill, H. R. 5239, and was authorized to file the report while the Senate is not in session (pp. D317, 4129) (S. Rept. 216). At the end of this Digest is a table showing actions on the bill.
2. ORGANIZATION, EXECUTIVE. The Government Operations Committee agreed to report S. 1763, relating to the extension and final liquidation of the Commission on Organization of the Executive Branch of the Government. This bill would extend the Commission for 30 days, authorizing the Commission to submit its final report not later than June 30, 1955, and would also provide that the Chairman of the Commission shall have charge of the final liquidation of the affairs of the Commission after June 30, 1955, and that such liquidation shall be completed within a period not to exceed 90 days after June 30, 1955 (p. D318).
3. FOREIGN AID. Sen. Wiley discussed the foreign aid program and its importance to the trade of Wisconsin, including exports of agricultural products, and inserted a memorandum on this subject (pp. 4135-6).
4. RECLAMATION. The Irrigation and Reclamation Subcommittee, Interior and Insular Affairs Committee, ordered reported with amendments, S. 300, authorizing the construction, operation, and maintenance of the Fryingpan-Arkansas project, Colo. (p. D318).
5. ROADS. Received a Colo. State Legislature joint resolution urging enactment of legislation for the construction of a highway known as the Navaho Trail which would connect highways in southwestern Colo. and northern Ariz. (p. 4130).

6. ADJOURNED until Mon., Apr. 25 (p. 4139). Legislative program for next week as stated in the "Daily Digest": Mon., "calendar for unobjected-to bills, to be followed during week by H. R. 5239, Agriculture appropriations for fiscal 1956, and any other appropriation bill that has by then been reported, and H. R. 1, trade agreements extension" (p. D322).

HOUSE

7. TREASURY-POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1956. The "Daily Digest" states that the conferees met in executive session to resolve the differences between the Senate- and House-passed versions of this bill, H. R. 4876, but did not complete their work, and will meet again Mon., Apr. 25 (p. D322).
8. PRICE SUPPORTS. The Rules Committee considered, but deferred further action until next Tues., a rule on H. R. 12, price-support program for basic farm commodities (p. D322).
9. MONOPOLIES. The Rules Committee granted an open rule, providing for 2 hours of debate, on H. R. 4954, granting a right of action to the U. S. to recover damages under the antitrust laws (pp. 4142, 4179).
10. PERSONNEL. The Post Office and Civil Service Committee ordered reported with/ amendments H. R. 3948, to clarify the Federal Employees Uniform Allowance Act relative to enactment date (p. D321).
11. AGRICULTURAL STABILIZATION COMMITTEE. Received a Mo. State Legislature memorial urging investigation of the activities of the State agricultural stabilization and conservation committee in Mo. (p. 4180).
12. SMALL BUSINESS. Rep. Harvey commended the Small Business Administration in carrying out its product-development program, stated that the SBA is not the only agency that collects technical data that would be of great service to businessmen--that the Dept. of Agriculture is another, and praised the "effective assistance that the State and National Extension Service and county farm agents have rendered to farmers" (pp. 4172-4).
13. ADJOURNED until Mon., Apr. 25 (p. 4179). Legislative program, as announced by Majority Leader McCormack: Mon., "no legislation pending"; Tues., amendment of the Clayton Antitrust Act; Thurs. and Fri., "If a rule is reported out it is expected to call up H. R. 12, the agriculture price-support bill. I am setting that for Thursday, conditioned upon a rule being reported out." (pp. 4178-9)

ITEMS IN APPENDIX

14. TRADE AGREEMENTS. Rep. Philbin inserted a Soft Fibre Manufacturers' Institute of New York statement opposing H. R. 1, the reciprocal trade agreements extension bill (pp. A2661-2).
15. FARM MACHINERY. Extension of remarks of Rep. Knox urging favorable consideration of his bill H. R. 5659, to provide a tax refund on gasoline used or resold for the operation of motorized equipment for agricultural purposes (p. A2665).







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued April 28, 1955  
For actions of April 27, 1955  
84th-1st, No. 69

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HIGHLIGHTS; House received President's message on low-income farmers, and Reps. Hope and Siler commended it. House concurred in Senate amendments on bill to increase rice allotments. House Rules Committee cleared price-support bill; not to be debated this week. House subcommittee ordered reported bill to prohibit USDA apple-price predictions. Rep. Rhodes, Ariz., urged cotton program revision. Rep. Teague urged increase in domestic sugar quotas. Rep. Gathings commended Department's program for disposition of surplus rice. Rep. Engle introduced bill for Federal cooperation in non-Federal reclamation projects.

## HOUSE

1. LOW-INCOME FARMERS. Received the President's message recommending a 15-point program to aid low-income farmers, transmitting a USDA report, "Development of Agriculture's Human Resources, a Report on Problems of Low-Income Farmers," and stating that proposals will be presented to Congress shortly for enabling legislation and necessary appropriations (H. Doc. 149); to Agriculture Committee (p. 4379). Reps. Hope and Siler commended the President, the Secretary and those who helped in the preparation of this report (pp. 4386-7).
2. PRICE SUPPORTS. The Rules Committee granted an open rule providing for 4 hours of general debate on H. R. 12, the 90-percent price support bill (p. D345). The "Daily Digest" states that action on this bill "would not be sought this week" (p. D343).
3. RICE ALLOTMENTS. House concurred in Senate amendments to H. R. 4647, to increase rice acreage allotments (pp. 4377-9). This bill will now be sent to the President. (For provisions of this bill as passed see Digest #67).
4. APPLE PRICES. The McMillan subcommittee, Agriculture Committee, ordered reported H. R. 5188, to prohibit the publication by the Government of any predictions with respect to apple prices (p. D344).

5. COTTON. Rep. Rhodes, Ariz., urged revision of the cotton program with respect to price supports, quality, and expanded markets at home and abroad (pp. 4405-6).
6. LAND TRANSFER. The McMillan subcommittee, Agriculture Committee, ordered reported H. R. 1762, directing the Department to sell a tract of ARS land to Woodward, Okla. (pp. D343-4).
7. STATEHOOD. The Rules Committee reported a resolution providing for the consideration of, 7 hours of debate on, and the limiting of amendments to, H. R. 2535, the Alaska-Hawaii statehood bill (p. 4407).
8. MARKETING; HAWAII. Received an Hawaii Legislature memorial requesting that Congress appropriate moneys for market-reporting and crop-estimating work in Hawaii (p. 4408).

#### SENATE

9. WAR-RISK INSURANCE. The Interstate and Foreign Commerce Committee ordered reported with an amendment S. 741, to amend title XII of the Merchant Marine Act, 1936, relating to war risk insurance, in order to repeal the provision which would terminate authority to provide insurance under such title (p. D342).

#### BILLS INTRODUCED

10. ELECTRIFICATION. H. R. 5878, by Rep. Davidson, to authorize the construction of certain works of improvement in the Niagara River for power and other purposes; to Public Works Committee (p. 4407). Remarks of author (p. 4380).
11. RECLAMATION. H. R. 5881, by Rep. Engle, to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; to Interior and Insular Affairs Committee (p. 4407).
12. PUBLIC WORKS. H. R. 5885, by Rep. Jennings, to offset declining employment by providing for Federal assistance to States and local governments in projects of construction, alteration, expansion, or repair of public facilities and improvements; to Public Works Committee (p. 4407). Remarks of author (pp. 4397-8).
13. PERSONNEL. H. R. 5887, by Rep. Kelly, N. Y., to provide in certain cases that a person holding a position subject to the Classification Act of 1949 who is placed in a lower grade shall not receive less pay as a result thereof; to Post Office and Civil Service Committee (p. 4407).  
H. R. 5899, by Rep. Davis, Ga., H. R. 5900, by Rep. Moss, H. R. 5901, by Rep. Morrison, H. R. 5902, by Rep. Rhodes, Pa., H. R. 5903, by Rep. Lesinski, H. R. 5904, by Rep. Pfost, H. R. 5905, by Rep. Fascell, H. R. 5906, by Rep. Tumulty; to increase the rates of compensation of certain officers and employees of the Federal Government; to Post Office and Civil Service Committee (p. 4407).
14. PUBLIC LANDS. H. R. 5891, by Rep. Rogers, Tex., to amend the act of July 31, 1947 and the mining laws to provide for multiple use of the surface of the same tracts of the public lands; to Interior and Insular Affairs Committee (p. 4407).



## GREAT LAKES FISHERIES

*Committee on Foreign Relations:* Subcommittee on Convention on Great Lakes Fisheries between U. S. and Canada (Exec. B, 84th Cong., 1st sess.) held and concluded hearings on this convention, with supporting testimony from Senator Potter; Robert Murphy, Deputy Undersecretary of State; Ernest F. Swift, Assistant Director, Fish and Wildlife Service, Interior Department; N. E. Copeland, Ohio Department of Natural Resources; Nicholas V. Olds, assistant attorney general of Michigan; and F. A. Westerman, chief, fish division, Michigan Department of Conservation. Testimony opposing the convention was heard from Dr. Thomas H. Langlois, Ohio State University. Subcommittee recessed subject to call.

## ATTORNEY GENERAL'S ANTITRUST REPORT

*Select Committee on Small Business:* Committee began hearings on the report of the Attorney General's Committee To Study the Antitrust Laws, hearing testimony from witnesses, as follows: Assistant Attorney General in Charge of Antitrust Division Stanley N. Barnes, who served as cochairman of the Attorney General's Committee and who presented a summary of the report, indicating areas in which his Division's policies might be affected by it; and Prof. Walter Adams, Michigan State University, and Prof. Louis B. Schwartz, University of Pennsylvania Law School, both of whom served on the Attorney General's Committee and both of whom indicated substantial areas of disagreement with the findings and recommendations of the majority. Hearings continue tomorrow when representatives of various trade organizations will be heard.

## House of Representatives

### Chamber Action

**Bills Introduced:** 34 public bills, H. R. 5873-5906; 16 private bills, H. R. 5907-5922; and 2 resolutions, H. J. Res. 293 and H. Res. 223, were introduced.

Pages 4386, 4407-4408

**Bills Reported:** Reports were filed as follows:

H. Res. 223, providing for the consideration of, 7 hours of debate on, and the limiting of amendments to, H. R. 2535, to admit Alaska and Hawaii into the Union on an equal footing with the original States (H. Rept. 449); and

H. R. 4904, extension of the Renegotiation Act of 1951, amended (H. Rept. 250).

Page 4407

**Rice:** Concurred in Senate amendments to H. R. 4647, providing emergency rice allotments for 1955, and thus cleared the bill for Presidential action.

Pages 4377-4379

**President's Message—Low-Income Farmers:** Received a message from the President transmitting a report of the Secretary of Agriculture entitled "Development of Agriculture's Human Resources, a Report on Problems of Low-Income Farmers," and recommending legislation to improve the status of low-income farm families. The message was referred to the Committee on Agriculture and ordered printed as a House document (H. Doc. No. 149).

Page 4379

**Further Program:** It was announced that action on H. R. 12, to amend the Agricultural Act of 1949 with respect to price supports for basic agricultural commodities, would not be sought this week. The calling of a recess was made in order at any time on Wednesday next for the purpose of receiving His Excellency Field Marshall P. Pibulsonggram, Prime Minister of Thailand.

Page 4386

**AEC Office Building:** Passed by a voice vote H. R. 5645, to authorize the Atomic Energy Commission to construct a modern office building in or near the District of Columbia to serve as its principal office. This passage was subsequently vacated and S. 1722, a similar bill, was passed in lieu, thus clearing the legislation for Presidential action.

Page 4380

**Reserve Component Facilities:** Passed by a voice vote H. R. 2107, to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, after adopting a committee substitute amendment. The amendment extends for 3 years the authority of the Secretary of Defense to establish armories and other facilities and authorizes an additional appropriation of \$250 million. An amendment that sought to prevent certain air training operations from interfering with commercial airline traffic was rejected. A recommittal motion designed to incorporate the same amendment into the bill was also rejected.

H. Res. 222, the rule providing for the consideration of the bill, was adopted previously.

Pages 4386-4394

**Bills Referred:** Three Senate-passed bills were referred to appropriate committees.

Page 4406

**Program for Thursday:** Adjourned at 3:13 p. m. until Thursday, April 28, at 12 o'clock noon.

### Committee Meetings

#### APPLE PRICES—LAND CONVEYANCE

*Committee on Agriculture:* The McMillan subcommittee ordered reported to the full committee H. R. 5188, to prohibit the publication by the Government of any



prediction with respect to apple prices; and H. R. 1762, providing for the conveyance of certain lands by the United States to the city of Woodward, Okla.

Testifying on behalf of H. R. 5188 were Representative Harrison, of Virginia, author of the bill; Representative Abbott, author of H. R. 5183 (an identical bill); Oris V. Wells, Administrator, Agricultural Marketing Service; and officials and representatives of apple organizations and farm bureau groups. Testifying on H. R. 1762 was Dr. H. Moseman, Director, Crops Research Services, Department of Agriculture.

#### DAIRY PRODUCTS

*Committee on Agriculture:* Dr. Johnson, professor of economics, University of Connecticut, testified before the Abernethy subcommittee today in connection with its study of the various aspects and factors of the dairy situation.

#### RESERVE FORCES

*Committee on Armed Services:* Voted (31 to 5) to report to the House, with amendments, H. R. 5297, the National Reserve Forces Plan of 1955.

#### BANK HOLDING COMPANIES

*Banking and Currency:* Held further executive consideration of H. R. 2674, providing for the regulation of bank holding companies under the Federal Reserve System. Will continue on same proposal tomorrow morning.

#### SCHOOL CONSTRUCTION

*Committee on Education and Labor:* Further testimony and explanation of legislative proposals to provide Federal assistance to States for school construction was presented today by Roswell B. Perkins, Assistant Secretary of Health, Education, and Welfare; and Samuel M. Brownell, U. S. Commissioner of Education. Adjourned until tomorrow morning.

#### FOREIGN SERVICE—STATE DEPARTMENT

*Committee on Foreign Affairs:* Ordered the following bills reported to the House—

H. R. 5841, amended to repeal the fee stamp requirement in the Foreign Service and amend section 1728 of the Revised Statutes, as amended;

H. R. 5842, to repeal a service charge of 10 cents per sheet of 100 words, for making out and authenticating copies of records in the Department of State;

H. R. 5844, to increase the fee for executing an application for a passport from \$1 to \$3; and

H. R. 5860, amended, to authorize certain officers and employees of the Department of State and the Foreign Service to carry firearms. Testifying on the firearms bill were Daniel H. Clare, Jr., Office of Security, and Ben H. Brown, Jr., Deputy Assistant Secretary for Congressional Relations, Department of State.

#### MANGANESE

*Committee on Interior and Insular Affairs:* Subcommittee on Mines and Mining continued its consideration of H. R. 3126, relating to extension of the domestic manganese program. Other similar bills pending before the subcommittee are H. R. 3315, 3380, 4230, 4374, and 5221.

Testimony in support of the proposal was presented today by Representative Poff, of Virginia; Marshall McGee, Miller-McGee Corp., Batesville, Ark.; John Husted, resident geologist, Virginia Iron, Coal & Coke Co., Roanoke, Va.; Dave Myers, Lynchburg, Va., owner of the Piedmont Manganese Mining Co.; James E. Bacon, Jr., D. B. D. Mining Corp., Lynchburg, Va.; Harry Holloway, Batesville, Ark., Arkansas Mining & Exploration Corp.; and Allen A. Zoll, Minera Fernandez, S. A., of Mexico.

#### NATURAL GAS

*Committee on Interstate and Foreign Commerce:* Further opposition was presented today to H. R. 4560, exempting independent producers and gatherers of natural gas from Federal Power Commission regulation. Witnesses heard were Vernon W. Thomson, attorney general of Wisconsin; Mayor Quigg Newton, of Denver, Colo.; Mayor Joseph E. Dillon, of St. Paul, Minn.; Mayor J. Moloney, of Covington, Ky.; Joseph Grossman, assistant corporation counsel, Chicago, Ill.; Ralph S. Locher, director of law, Cleveland, Ohio; and Lester Hooker, Virginia State Corporation Commission.

Statements for the record were submitted by W. D. Johnson, vice president, Order of Railway Conductors and Brakemen; Leonard Simons, Wayne County utilities counsel, Detroit, Mich.; and A. T. Lundberg, Arlington (Va.) County manager. Hearings will be continued tomorrow.

#### WIRETAPPING

*Committee on the Judiciary:* Subcommittee No. 5 continued its public hearings on pending wiretapping bills (H. R. 762, 867, 4513, 4728, and 5096). Testimony was received today from William J. Keating, former general counsel, and John M. O'Mara, director, New York City Anti-Crime Committee, Inc. Hearings will be continued tomorrow morning.

#### CANAL ZONE—COAST AND GEODETIC SURVEY

*Committee on Merchant Marine and Fisheries:* Ordered the following bills reported to the House—

H. R. 4359, to authorize the city of Richmond, Calif., to dispose of certain personal property;

H. R. 4650, to authorize regulation of the sale and use of fireworks in the Canal Zone;

H. R. 5146, to authorize the President to promote Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey, on the retired list; and

H. R. 5398, to increase the efficiency of the Coast and Geodetic Survey.



## HIGHWAY CONSTRUCTION

*Committee on Public Works:* Representatives of trucking groups today endorsed the objectives of H. R. 4260, the administration's program of Federal-aid highway construction. Those testifying were A. B. Gorman, president, Private Truck Council of America, Inc.; and E. J. Lucas, Truck Trailer Manufacturers' Association, Louisville, Ky. Recessed until tomorrow morning.

## PRICE SUPPORTS

*Committee on Rules:* Granted an open rule providing for 4 hours of general debate on H. R. 12, the farm commodity price support bill (restoring 90-percent parity). Speaking in favor of the legislation were Representatives Cooley, Anfuso, and August H. Andresen. Opposed

to granting a rule were Representatives Harrison of Nebraska, King of Pennsylvania, and Dixon.

## SURVIVORS' BENEFITS

*Select Committee on Survivors' Benefits:* The Hardy select committee heard personnel officers of the armed services during today's consideration of benefits provided under Federal law for the surviving dependents of deceased members and former members of the Armed Forces. Witnesses testifying were Maj. Gen. Donald P. Booth, Deputy Assistant Chief of Staff, G-1 (Army); Vice Adm. James L. Holloway, Chief of Naval Personnel; Maj. Gen. Morris J. Lee, Director of Personnel Planning (Air Force); Brig. Gen. Nels H. Nelson, Assistant Chief of Staff, G-1 (USMC); and representatives of the Public Health Service and the Coast and Geodetic Survey. Recessed until tomorrow afternoon.

## COMMITTEE MEETINGS FOR THURSDAY, APRIL 28

(All meetings are open unless otherwise designated)

## Senate

*Committee on Agriculture and Forestry,* subcommittee on S. 1165, administrative costs of Federal crop insurance program, 10 a. m., 324 Senate Office Building.

*Committee on Appropriations,* Defense Appropriations Subcommittee, 10 a. m., room F-39, Capitol; subcommittee, executive, on H. R. 5085, Interior Department appropriations for fiscal 1956, 10 a. m., room F-82, Capitol; subcommittee on H. R. 5502, State, Justice, and the Judiciary appropriations for fiscal 1956, 10 a. m., room F-37, Capitol.

*Committee on Armed Services,* on H. R. 2107, Reserve training facilities, and S. 1138, defense plant construction, 10 a. m., 212 Senate Office Building.

*Committee on Banking and Currency,* executive, on S. 256, eliminate cumulative voting in election of directors of national banking associations, and S. 654, S. 755, and S. 1645, housing bills, 10 a. m., 301 Senate Office Building.

*Committee on District of Columbia,* Public Health Subcommittee on S. 1163 and S. 1835, to amend the D. C. Unemployment Compensation Act, 10 a. m., room P-38, Capitol.

*Committee on Foreign Relations,* Subcommittee on Convention on Great Lakes Fisheries between the U. S. and Canada (Exec. B, 84th Cong., 1st sess.), 10 a. m., room F-53, Capitol.

*Committee on Interstate and Foreign Commerce,* Aviation Subcommittee, on S. 308 and S. 1119, omnibus aviation bills, 10 a. m., room G-16, Capitol.

*Committee on the Judiciary,* Constitutional Amendments Subcommittee on S. J. Res. 1, proposing a constitutional amendment relating to legal effect of certain treaties and other international agreements, 10 a. m., 424 Senate Office Building.

*Internal Security Subcommittee,* to hear Gen. Frank L. Howley, former military governor of Berlin, on strategy and tactics of the world Communist movement, 10:30 a. m., 135 Senate Office Building.

*Select Committee on Small Business,* to continue hearings on report of the Attorney General's National Committee To Study the Antitrust Laws, 10 a. m., 457 Senate Office Building.

## House

*Committee on Agriculture,* on H. R. 2851, to authorize the CCC to process farm food commodities for suitable home use, and other pending committee business, 10 a. m., 1310 New House Office Building.

Abernethy Subcommittee on Dairy Products, 10 a. m., 1308 New House Office Building.

*Committee on Armed Services,* on H. R. 2886, doctors' draft bill, 10 a. m., 313 Old House Office Building.

*Committee on Banking and Currency,* executive on H. R. 2674, to regulate bank holding companies, 10 a. m., 1301 New House Office Building.

*Committee on the District of Columbia,* executive on pending bills, 10:30 a. m., 445 Old House Office Building.

*Committee on Education and Labor,* on Federal assistance to States for school construction, 10 a. m., 429 Old House Office Building. HEW Department officials are scheduled to testify.

*Committee on Foreign Affairs,* Subcommittee on the Far East and the Pacific to hear representatives of the U. S. Information Agency, executive, 10:30 a. m., G-3, Capitol.

*Committee on Government Operations,* Brooks (Texas) Subcommittee on Special Government Activities on negotiated sale by the GSA of an alumina plant at Laramie, Wyo., executive, 10 a. m., 1501 New House Office Building.

*Committee on Interior and Insular Affairs,* Haley subcommittee on pending Indian bills, 10 a. m., 1324 New House Office Building.

*Committee on Interstate and Foreign Commerce,* on bills to amend the Natural Gas Act, 10 a. m., 1334 New House Office Building. Municipal officials will continue to testify.

*Committee on the Judiciary,* Subcommittee No. 5 on wiretapping legislation, 10 a. m., 346 Old House Office Building.

Subcommittee No. 1 on H. R. 3, to establish rules of interpretation governing questions of effect of acts of Congress on State laws, 10 a. m., 327 Old House Office Building.

*Committee on Post Office and Civil Service,* executive on Federal employees' classified pay bill, 10 a. m., 213 Old House Office Building.

*Committee on Public Works,* on Federal-aid highway legislation, 10 a. m., 1302 New House Office Building.

*Committee on Veterans' Affairs,* Kee subcommittee on H. R. 589, and related bills, pertaining to veterans' allowances for institutional and on-farm training, 10 a. m., 356 Old House Office Building.

*Select Committee on Survivors' Benefits,* to hear Rear Adm. E. W. Grenfell, accompanied by armed services task force which is studying survivors' benefits, 2 p. m., 304 Old House Office Building.

## Joint Committee

*Joint Committee on Atomic Energy,* Subcommittee on Military Applications, executive, to hear Defense Department witnesses, 2 p. m., room F-88, Capitol.









April 28, 1955

reclamation projects on which new acreage suitable for production of sugar beets has been made available.

21. **ROADS.** Received from the Commerce Department a proposed bill to authorize appropriations for completing the construction of the Inter-American Highway; to Public Works Committee (p. 4410).  
Received a Calif. Legislature resolution requesting that certain highways in Calif. be included in the national system of interstate highways (pp. 4410-1).
22. **MARKETING; HAWAII.** Received a Hawaii Legislature resolution requesting the appropriation of moneys for marketing reporting and crop-estimating work in Hawaii (p. 4411).
23. **PHILIPPINE TRADE.** Received a Hawaii Legislature resolution requesting favorable consideration of the proposed revision of the Philippine Trade Act of 1946 with respect to import duties, export taxation, etc. (pp. 4411-2).
24. **TREATIES; TRADE AGREEMENTS.** Received resolutions "relating to unfair import competition under the present Trade Agreements Act," and favoring enactment of S. J. Res. 1, to limit the President's treaty-making power (p. 4412).
25. **FORESTRY; SOIL CONSERVATION SERVICE.** Received a Calif. Federation of Women's Clubs resolution relating to wages paid in the Forest Service, and an Oklahoma Legislature resolution opposing "transfer of the function of soil conservation technical assistance to the various States" (pp. 4412-3).
26. **FARM LOANS.** Received from the Oklahoma Legislature a resolution urging legislation authorizing long-term low-interest-rate loans to drought-stricken farmers in Okla. (p. 4413).
27. **RURAL ELECTRIFICATION; SUGAR; FARM LABOR.** Sen. Humphrey inserted various resolutions opposing the reorganization of the REA as proposed by the Hoover Commission Task Force, supporting the appeal of sugar-beet producers for expanded allocation, and endorsing an American Farm Bureau Federation proposal to amend the Selective Service Act relating to the drafting of young men between ages of 18 and 23 (pp. 4414-5).
28. **MONOPOLIES.** Sen. Humphrey stated that Minn. businessmen are seriously concerned over the report of the Attorney General's committee to study the antitrust laws, and inserted several articles opposing FTC's recommendation to eliminate the quantity discount rule (pp. 4427-30).
29. **COTTON.** The Legislative Reporting Staff has obtained a very small supply (for reference and lending purposes) of a Committee Print of the Senate Agriculture and Forestry Committee, "Disposal of Agricultural Surpluses -- Cotton." This report is "by a majority of" the Eastland subcommittee on the disposal of surplus cotton. (Other members of the subcommittee are Sens. Holland, Scott, Young, and Schoeppel.) The report makes recommendations as follows:

#### "GENERAL RECOMMENDATIONS

"General recommendations to help expedite the movement of current stocks of cotton in the hands of, or under loan to, the Commodity Credit Corporation, and to help maintain a healthy trade atmosphere for a long-range program include:

"(1) Simplify customs regulations.

"(2) Provide for the Secretary of Agriculture to replace the certificated stocks on the cotton exchanges, which are not readily salable, after the enactment of legislation to prevent the accumulation of such inferior stocks in the future.

"(3) Amend section 4 of the Bretton Woods Agreement Act, as amended, by adding 'The Secretary of Agriculture' as a new and additional member of the National Advisory Council.

"(4) Modify the Cargo Preference Act requiring 50 percent of Public Law 480 and FOA commodities to be shipped in American bottoms.

#### "SHORT-TERM RECOMMENDATIONS

"In order to extricate the American cotton farmer from the present deplorable situation we recommend:

"(1) The immediate application of the first recommendation for the long-term program.

"(2) Amend by legislative act the Agricultural Trade Development and Assistance Act of 1954 to--

"(a) Adequately increase funds available for Public Law 480, title I.

"(b) Delete on line 5, paragraph 1, page 1, ' \* \* \* in furtherance of the foreign policy of the United States.' and beginning next to last line of paragraph 1, page 1, delete ' \* \* \* and to foster in other ways the foreign policy of the United States.'

"(3) Request changes in the administration of Public Law 480 to--

"(a) Remove yearly ceilings and provide long-term sales programs.

"(b) Give the Department of Agriculture the sole responsibility to decide what and when and to whom sales may be made under Public Law 480, title I, with other departments assigned an advisory capacity only.

"(c) Encourage multilateral trade.

"(d) Extend the period for sales arrangements to several years wherever such arrangements can reasonably be expected to expand or create new and continuous markets for farm products.

"(e) Provide for the Secretary of Agriculture to barter surplus farm commodities for strategic and critical materials that may be supplied over an extended period of years when in his opinion it would be advantageous to the United States.

"From time to time the committee will make additional recommendations to cope with the cotton situation on the long-term and short-term phases of the problem."

30. ADJOURNED until Mon., May 2 (pp. 4443, 4459).

#### HOUSE

31. PRICE SUPPORTS. The Rules Committee reported an open rule providing for 4 hours of general debate on H. R. 12, the 90-percent price support bill (pp. 4461-2). Rep. McCormack announced that: "On Tuesday, we will take up the bill, H. R. 12, the agricultural price-support bill. Debate will start on Tuesday and go over until Wednesday. That is, final action will not be taken on it until Wednesday" (p. 4461).

32. EXPORT-IMPORT BANK. Received from the President a proposed increase in the limitation on expenses for the fiscal year 1956 for the Export-Import Bank (H. Doc. 150); to Appropriations Committee (p. 4467).



those cases where contractors and subcontractors are subject to renegotiation under the Renegotiation Act. However, a problem arose as to those cases which were exempted from renegotiation under section 106 of the Renegotiation Act. The Treasury Department has held that such exempted items were still subject to the profit limitations of the Vinson-Trammell Act and the Merchant Marine Act.

The committee amendment provides that these profit limitations are also suspended in those cases where items are exempted from renegotiation under section 106. The interested departments indicated that they had no objection to the committee amendment.

I urge that the bill be passed.

Mr. JENKINS. Mr. Speaker, H. R. 4904 extends the Renegotiation Act of 1951 for 2 years. This extension was requested by President Eisenhower on March 4 of this year. Immediately following submission of that request, the gentleman from New York, Representative REED, ranking Republican member of the Committee on Ways and Means, introduced H. R. 4694 on March 7 to carry out the President's recommendation. The bill now before the House was introduced by the gentleman from Tennessee, Chairman COOPER, 1 week later. Therefore, Mr. Speaker, this legislation is truly bipartisan in nature.

The last previous extension of the Reorganization Act expired December 31, 1954. H. R. 4904 extends the authority until December 31, 1956. I should point out that the fact that the 1951 act expired last December 31 will in no way permit any defense contracts to escape renegotiation, assuming the pending bill is enacted.

Our committee heard the testimony of witnesses from all the major Government agencies concerned with this legislation. We heard testimony from representatives of the Defense Department, including the Departments of Navy, the Army, and of the Air Force, as well as representatives of the Department of Commerce, the Atomic Energy Commission, and of the Renegotiation Board. In addition, while we did not conduct public hearings, written briefs submitted by non-Government groups were considered in detail. Each suggestion made by these groups was discussed by our committee. I might point out that the amendment contained in the bill was a direct result of our consideration of this written testimony.

I believe that the only serious question contained in this legislation is whether or not the Renegotiation Act should be extended for 1 year or the 2 years provided by this bill. I believe the proposed 2-year extension is appropriate in that it will permit more time for consideration prior to the next scheduled termination on December 31, 1956. Although, that date is already considerably less than 2 years away. One of the difficulties which always confronts us in connection with mere 1-year extensions is the fact that so little time is usually available for careful study and public hearings.

It is true that our Nation is not now in a state of war. The continued efforts of President Eisenhower to establish a firm

foundation for lasting international peace show great promise today of achieving ultimate success. Be that as it may, our defense expenditures continue to remain at a very high level and they must continue at this level for some time to come. Moreover, as the President pointed out in his message requesting this legislation, much of our defense spending is in the area of new and experimental equipment with respect to which careful initial contracting is seldom possible. In view of these considerations, I believe that this bill should be passed without undue delay.

#### LEGISLATIVE PROGRAM AND ADJOURNMENT OVER UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Mr. Speaker, reserving the right to object, and I shall not object. I take this opportunity to inquire as to the legislative program for the coming week.

Mr. McCORMACK. On Monday, the Consent Calendar will be called.

On Tuesday, which is the day for the call of the Private Calendar, there are only three bills and I meant to consult with our Speaker and my friend, the gentleman from Massachusetts, and I want to apologize now for having temporarily overlooked it. But in view of the fact that there are only three bills, I intend to ask unanimous consent to dispense with the call of the Private Calendar on Tuesday.

Mr. MARTIN. I have no objection to that.

I would like to know if there will be any suspensions on Monday.

Mr. McCORMACK. No, there will be no bills taken up under suspension of the rules on Monday.

So on Monday, we will have the Consent Calendar.

For Tuesday, Wednesday, and Thursday, the program will be as follows: On Tuesday, we will take up the bill, H. R. 12, the agricultural price-support bill. Debate will start on Tuesday and go over until Wednesday. That is, final action will not be taken on it until Wednesday. Following that, we will take up the bill, H. R. 5297, the National Reserve plan, that is, the manpower bill. If those bills are finally acted upon by Thursday, we will then go over until the following Monday.

Of course, there is the usual reservation that conference reports may be brought up at any time, and any further program will be announced later.

Mr. MARTIN. I understand there is a proposed trip to be taken to New York by probably 100 of our Members, and I was going to suggest that perhaps it might be necessary to come in earlier on Thursday.

Mr. McCORMACK. Yes; I have that in mind. I was going to consult with my friend with reference to that. But

we ought to be able to get through both of these bills by Thursday. I do have that in mind.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Do I understand the gentleman to say that the National Reserve training bill will come up then on Wednesday or Thursday? Which day will it come up?

Mr. MARTIN. If the agricultural bill is disposed of on Wednesday in time to start the other bill, of course, we will begin with the consideration of that bill. If not, it will come up on Thursday.

Mr. GROSS. Does the gentleman anticipate that that bill will be taken care of on Thursday and that debate will be completed on it should it come up on Thursday afternoon?

Mr. McCORMACK. We could meet earlier on Thursday. The rule has not been reported on the bill as yet, but I am sure Members will have ample opportunity for debate on the bill. I am hopeful that both these bills can be disposed of by next Thursday, and also give ample time for debate. Mark you, I want my friend from Iowa and all Members not to misunderstand me. I thoroughly respect the rights of all Members and will protect them to the full extent of my ability. I am keeping in mind that Members want the opportunity to fully debate both these bills, but I believe we ought to be able to complete both bills in view of the fact that we have Tuesday, Wednesday, and Thursday in which to consider them.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that when the House adjourns today, it adjourn to meet on Monday next?

There was no objection.

#### DISPENSING WITH PRIVATE CALENDAR ON TUESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to dispense with the call of the Private Calendar on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### AMENDING AGRICULTURAL ACT OF 1949

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 224, Rept. No. 451), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee



of the Whole House on the State of the Union for the consideration of the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the amendment recommended by the Committee on Agriculture now in the bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and amendments thereto to final passage without intervening motion except one motion to recommitt.

#### THE LATE HONORABLE WILLIAM H. CARTER

(Mr. WIGGLESWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Speaker, I regret to report to the House the death of a former distinguished Member of the Congress, Hon. William H. Carter, of Massachusetts.

Born in Needham, Mass., on June 15, 1864; president of the William Carter Co., of Massachusetts, one of the largest mills of its kind in America; he has always been an outstanding figure in the community, admired and respected by all.

He served with ability as a member of the House of Representatives in Massachusetts; as a member of the Republican State Committee in Massachusetts; and for 4 years, and as a Member of this House in the 64th and 65th Congresses, from 1915 to 1919, during the trying period of World War I.

On the occasion of his 90th birthday, last June, he was honored by 450 persons, including employees, town officials, and other friends, who knew him affectionately as "the General," a title acquired when he received a five-star diamond pin in recognition of 75 years' service.

I have known and admired him as a friend and neighbor for many years.

He will be greatly missed by his wide circle of friends.

I extend by heartfelt sympathy at this difficult time to his wife, to his family, and all of those close to him.

#### INDUSTRIAL PLANT EXPANSION IN DEPRESSED ECONOMIC AREAS

(Mr. QUIGLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUIGLEY. Mr. Speaker, today I have introduced a bill designed to encourage industrial plant expansion in depressed economic areas. The bill extends tax amortization benefits, identical with those extended for defense production, to industries who construct new facilities in any area where there is a labor surplus, as determined by the Bu-

reau of Employment Security of the Department of Labor.

The suggestion for such legislation was contained in the annual message of Gov. George M. Leader in his annual message to the General Assembly of Pennsylvania on March 28. Subsequently the general assembly has passed a resolution memorializing this Congress to enact legislation embodied in the bill I have introduced today.

The principle of tax amortization credit to meet an emergency has been established for defense purposes. Unemployment is as much a threat to the well-being of the United States and its citizens as any we face today. A strong, balanced economy is vital to our defense against foreign enemies. The existence of spotty, serious unemployment indicates our economy is out of balance.

The need for encouraging plant expansion in labor surplus areas is demonstrated by the March 1955 Bimonthly Summary of Labor Market Developments in Major Areas published by the Bureau of Employment Security, Department of Labor. Of 149 major and smaller areas surveyed by BES, none are found to be experiencing a labor shortage. Only 18 of these 149 are areas of balanced labor supply. In the remainder—131 areas—there is a labor surplus. In other words in 131 of 149 areas in the Nation, there exists an unemployment problem.

Any industrial concern expanding its facilities in these labor surplus areas would be eligible for tax amortization credit under the terms of my bill.

Mr. Speaker, as a part of my remarks I include the listing of the 149 cities included in the March area classification summary of the Bureau of Labor Statistics. Group I listings are those areas of labor shortage; group II are those areas of balanced labor supply; group III are those areas of moderate labor surplus; group IV-A are areas of substantial labor surplus; while group IV-B are areas of very substantial labor surplus.

#### CLASSIFICATION OF LABOR MARKET AREAS ACCORDING TO RELATIVE ADEQUACY OF LABOR SUPPLY, MARCH 1955

##### REGION I

Group I: None.  
Group II: Hartford, Conn.; New Haven, Conn.

Group III: Bridgeport, Conn.; New Britain, Conn.; Stamford-Norwalk, Conn.; Waterbury, Conn.; Boston, Mass.; Brockton, Mass.; Springfield-Holyoke, Mass.; Worcester, Mass.; Manchester, N. H.

Group IV-A: Bristol, Conn.; Danielson, Conn.; Torrington, Conn.; Portland, Maine; Fall River, Mass.; Fitchburg, Mass.; Lowell, Mass.; Milford, Mass.; New Bedford, Mass.; North Adams, Mass.; Providence, R. I.; Springfield, Vt.

Group IV-B: Lawrence, Mass.; Southbridge-Webster, Mass.; Burlington, Vt.; Biddeford-Sanford, Maine.

##### REGION II

Group I: None.  
Group II: Rochester, N. Y.  
Group III: Newark, N. J.; Perth Amboy, N. J.; Trenton, N. J.; Binghamton, N. Y.; New York, N. Y.; Syracuse, N. Y.

Group IV-A: Atlantic City, N. J.; Bridgeport, N. J.; Long Branch, N. J.; Paterson,

N. J.; Albany-Schenectady-Troy, N. Y.; Buffalo, N. Y.; Hudson, N. Y.; Oswego-Fulton, N. Y.; Utica-Rome, N. Y.; San Juan, P. R.

Group IV-B: Amsterdam, N. Y.; Auburn, N. Y.; Gloversville, N. Y.; Mayaguez, P. R.; Ponce, P. R.

##### REGION III

Group I: None.  
Group II: Richmond, Va.  
Group III: Wilmington, Del.; Washington, D. C.; Baltimore, Md.; Charlotte, N. C.; Greensboro-High Point, N. C.; Allentown-Bethlehem, Pa.; Harrisburg, Pa.; Lancaster, Pa.; York, Pa.; Hampton-Newport News-Warwick, Va.; Norfolk-Portsmouth, Va.; Roanoke, Va.

Group IV-A: Asheville, N. C.; Durham, N. C.; Fayetteville, N. C.; Kinston, N. C.; Rocky Mount, N. C.; Shelby-Kings Mountain, N. C.; Waynesville, N. C.; Winston-Salem, N. C.; Berwick-Bloomsburg, Pa.; Erie, Pa.; Levistown, Pa.; Meadville, Pa.; New Castle, Pa.; Oil City-Franklin-Titusville, Pa.; Philadelphia, Pa.; Pittsburgh, Pa.; Reading, Pa.; Williamsport, Pa.; Radford-Pulaski, Va.; Clarksburg, W. Va.; Huntington, W. Va.-Ashland, Ky.; Parkersburg, W. Va.; Wheeling, W. Va.-Steubenville, Ohio.

Group IV-B: Cumberland, Md.; Altoona, Pa.; Butler, Pa.; Clearfield-DuBois, Pa.; Indiana, Pa.; Johnstown, Pa.; Kittanning-Ford City, Pa.; Lock Haven, Pa.; Pottsville, Pa.; Scranton, Pa.; Sunbury-Shamokin-Mount Carmel, Pa.; Uniontown-Connellsville, Pa.; Wilkes-Barre-Hazleton, Pa.; Big Stone Gap-Appalachia, Va.; Covington-Clifton Forge, Va.; Richlands-Bluefield, Va.; Beckley, W. Va.; Bluefield, W. Va.; Charleston, W. Va.; Fairmont, W. Va.; Logan, W. Va.; Morgantown, W. Va.; Point Pleasant, W. Va.; Roncoveerte-White Sulphur Springs, W. Va.; Welch, W. Va.

##### REGION IV

Group I: None.  
Group II: Jacksonville, Fla.; Atlanta, Ga.  
Group III: Birmingham, Ala.; Mobile, Ala.; Miami, Fla.; Tampa-St. Petersburg, Fla.; Columbus, Ga.; Macon, Ga.; Savannah, Ga.; Jackson, Miss.; Alken, S. C.-Augusta, Ga.; Charleston, S. C.; Greenville, S. C.; Memphis, Tenn.; Nashville, Tenn.

Group IV-A: Alexander City, Ala.; Anniston, Ala.; Decatur, Ala.; Florence-Sheffield, Ala.; Gadsden, Ala.; Talladega, Ala.; Cedar-town-Rockmart, Ga.; Cordele, Ga.; Greenville, Miss.; Walterboro, S. C.; Bristol-Johnson City-Kingsport, Tenn.-Va.; Chattanooga, Tenn.; Knoxville, Tenn.

Group IV-B: Jasper, Ala.; LaFollette-Jellico-Tazewell, Tenn.; Newport, Tenn.

##### REGION V

Group I: None.  
Group II: Flint, Mich.; Lansing, Mich.; Saginaw, Mich.; Columbus, Ohio.

Group III: Louisville, Ky.; Detroit, Mich.; Grand Rapids, Mich.; Kalamazoo, Mich.; Akron, Ohio; Canton, Ohio; Cincinnati, Ohio; Cleveland, Ohio; Dayton, Ohio; Hamilton-Middletown, Ohio; Lorain-Elyria, Ohio; Youngstown, Ohio.

Group IV-A: Frankfort, Ky.; Owensboro, Ky.; Battle Creek, Mich.; Bay City, Mich.; Benton Harbor, Mich.; Monroe, Mich.; Muskegon, Mich.; Port Huron, Mich.; Athens-Logan-Nelsonville, Ohio; Findlay-Tiffin-Fostoria, Ohio; Mansfield, Ohio; Marietta, Ohio; New Philadelphia-Dover, Ohio; Newark, Ohio; Sandusky-Fremont, Ohio; Springfield, Ohio; Toledo, Ohio; Zanesville, Ohio.

Group IV-B: Corbin, Ky.; Hazard, Ky.; Henderson, Ky.; Madisonville, Ky.; Middlesboro-Harlan, Ky.; Morehead-Graysen, Ky.; Paintsville-Prestonburg, Ky.; Pikeville, Ky.-Williamson, W. Va.; Iron Mountain, Mich.; Cambridge, Ohio.

Footnotes at end of listing.

Footnotes at end of listing.

## CONSIDERATION OF H. R. 12

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APRIL 28, 1955.—Referred to the House Calendar and ordered to be printed

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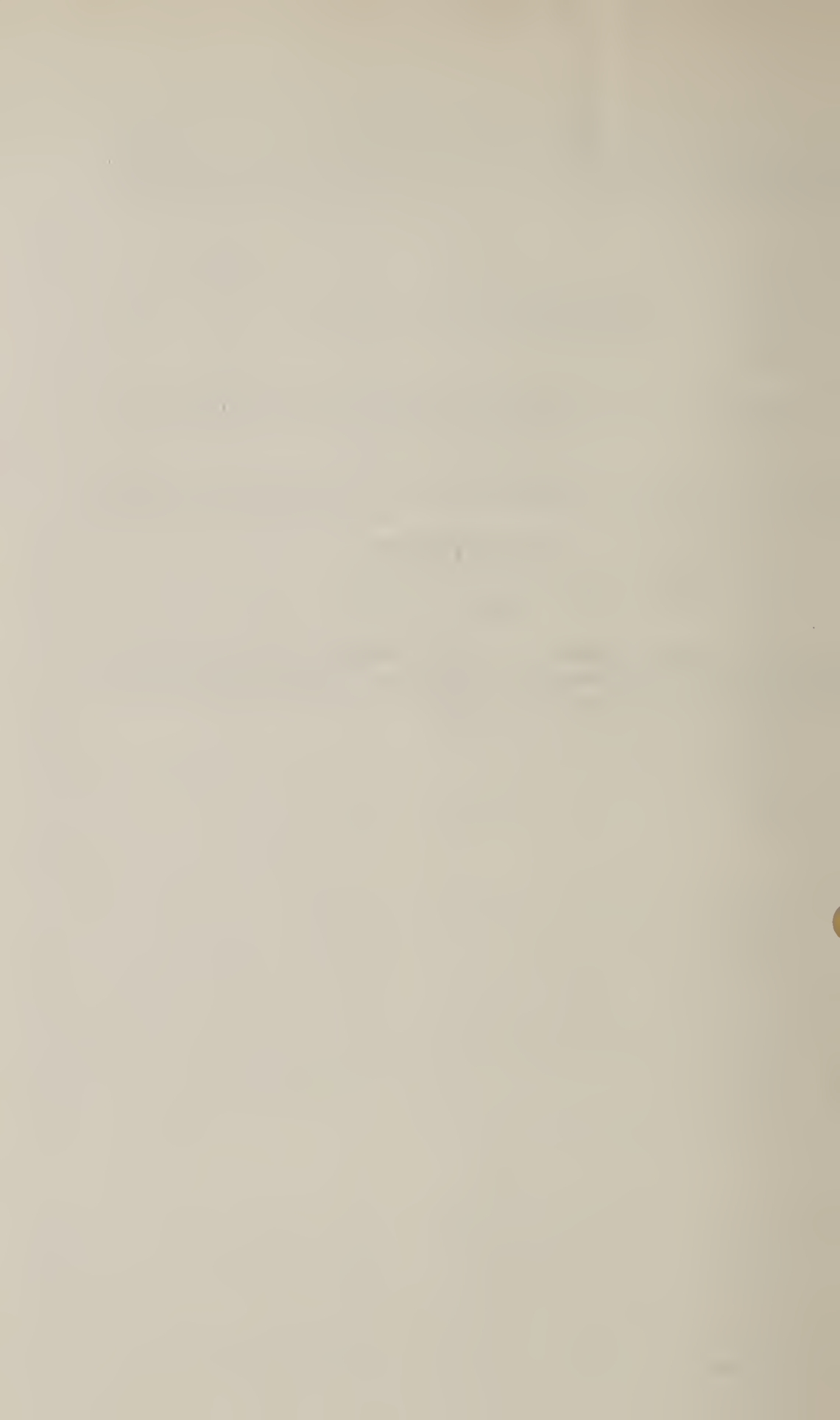
Mr. COLMER, from the Committee on Rules, submitted the following

### REPORT

[To accompany H. Res. 224]

The Committee on Rules, having had under consideration House Resolution 224, report the same to the House with the recommendation that the resolution do pass.

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## House Calendar No. 46

84TH CONGRESS  
1ST SESSION

# H. RES. 224

[Report No. 451]

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### IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1955

Mr. COLMER, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1      *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the Union  
4 for the consideration of the bill (H. R. 12) to amend the  
5 Agricultural Act of 1949, as amended, with respect to price  
6 supports for basic commodities. After general debate, which  
7 shall be confined to the bill, and shall continue not to exceed  
8 four hours, to be equally divided and controlled by the chair-  
9 man and ranking minority member of the Committee on  
10 Agriculture, the bill shall be read for amendment under the  
11 five-minute rule. It shall be in order to consider without the  
12 intervention of any point of order the amendment recom-

1 mended by the Committee on Agriculture now in the bill.  
2 At the conclusion of the consideration of the bill for amend-  
3 ment, the Committee shall rise and report the bill to the  
4 House with such amendments as may have been adopted,  
5 and the previous question shall be considered as ordered on  
6 the bill, and amendments thereto to final passage without  
7 intervening motion except one motion to recommit.

House Calendar No. 46

84TH CONGRESS  
1ST SESSION

**H. RES. 224**

[Report No. 451]

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## RESOLUTION

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Providing for the consideration of H. R. 12, a  
bill to amend the Agricultural Act of 1949,  
as amended, with respect to price supports  
for basic commodities.

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By Mr. COLMER.

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APRIL 28, 1955

Referred to the House Calendar and ordered to be  
printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

May 4, 1955  
May 3, 1955  
84th-1st, No. 72

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HIGHLIGHTS: House debated price support bill. House committee ordered reported bill for Federal loans for non-Federal reclamation projects. Senate debated trade agreements bill. Sen. Symington criticized Mo. ASC committee. Sen. Aiken introduced and discussed bill to cooperate with States in reforestation.

## HOUSE

1. PRICE SUPPORTS. Began debate on H. R. 12, to provide for 90% price supports on basic commodities. General debate was concluded, and the bill is to be read for amendment today. (pp. 4539-94.)
2. PERSONNEL. Agreed to H. Con. Res. 121, requesting the President to return for correction S. 1094, to clarify the Federal Employees' Uniform Allowance Act (pp. 4594-5).
3. CCC CLAIMS. Transferred from the Agriculture Committee to the Banking and Currency Committee H. R. 2137, 2872, 2007, 694, and 846, to relieve from CCC claims persons who innocently purchase converted fungible goods (p. 4594).
4. RESERVE MANPOWER. The Rules Committee reported a resolution for consideration of H. R. 5297, the military reserve manpower bill (p. 4538).
5. ANIMAL DISEASE. The Agriculture Committee ordered reported H. R. 4576, to provide for certain indemnity payments in Iowa on account of vesicular exanthema which could not be made because of a technicality (p. D367).
6. DROUGHT RELIEF. The Agriculture Committee considered but postponed action on H. R. 4176, to provide that feed furnished in disaster areas shall be made available for working stock and hogs (p. D367).



7. CIVIC AUDITORIUM. The Rules Committee reported a resolution for consideration of H. R. 1825, creating a commission to plan a D. C. civic auditorium (p. 4609).
8. RECLAMATION; LOANS. The Interior and Insular Affairs Committee ordered reported H. R. 5881, to provide for Federal cooperation in non-Federal reclamation projects and for non-Federal cooperation in Federal projects (p. D368).
9. SALT-WATER RESEARCH. The Rules Committee ordered reported a resolution for consideration of H. R. 2126, to expand the salt-water research program (p. D368).
10. IMPORTS. The Ways and Means Committee ordered reported H. R. 5560, making permanent the existing privilege of free importation of personal and household goods under Government orders, and H. R. 5675, continuing through June 1958, the suspension of import taxes on copper (p. D369).
11. POSTAL PAY. The conferees agreed to report a revised version of S. 1, the postal pay bill (pp. D369-70).
12. SURPLUS COMMODITIES. The revision of H. R. 2851, as ordered reported by the House Agriculture Committee, provides as follows: Requires CCC to make available to HEW, for providing emergency assistance to the needy, agricultural commodities and products (including cereals and cereal products) acquired through price support operations. Authorizes CCC to pay processing and other charges up to the time of delivery to central locations in States. Upon certifications of the Labor Department and the Governors as to need, directs HEW to make such commodities and products available to State agencies. Provides that CCC make Sec. 416 commodities available without compensation and that HEW reimburse CCC for other commodities at the acquisition cost or current support price (whichever is lower) plus the costs of processing, etc. Provides that CCC expenditures under this bill may be made in advance of appropriations and shall be entered as accounts receivable.
13. EXPORT-IMPORT BANK. H. Doc. 150 (Apr. 20) is a proposed increase in the amount of \$300,000 in the limitation on expenses (to provide for additional staff and other expenses required for a growing workload) for the fiscal year 1956 for the Export-Import Bank of Washington.
14. SOIL CONSERVATION. The amendments by Sen. Holland and others to H. R. 1573, to repeal the ACP-acreage allotments tie-in, (see Digest 71), would exempt from the present ACP-acreage allotments tie-in farmers harvesting corn for ensilage, wheat in an amount not in excess of 15 acres, a commodity or a crop on which producers have rejected marketing quotas in a referendum, or peanuts for seed to be used for the raising of peanuts for hogs. The amendments would also require applicants to establish their eligibility for payments in such manner as the Secretary may prescribe by regulation.

#### SENATE

15. TRADE AGREEMENTS. Continued debate on H. R. 1, the trade agreements extension bill (pp. 4620-1, 4631, 4634-43, 4645-97), and agreed to limit debate on bill and that no nongermane amendment will be received (p. 4621). Sens. Beall, Morse, O'Mahoney, and Humphrey submitted amendments to be proposed to this bill.

During debate on this bill Sen. Malone stated that "H. R. 1 is an economic Yalta," and that, "Farmers, too, ... will be an early target of the global free trade agency, as will producers of milk, butter, cheese, and other farm commodities" (pp. 4648-51). Sen. Malone also spoke in favor of giving



## PRICE SUPPORTS FOR BASIC COMMODITIES

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 224) providing for the consideration of H. R. 12, a bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the amendment recommended by the Committee on Agriculture now in the bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, for the sake of the children of the United States, it is to be hoped that isolated examples of black-marketeering of Salk vaccine and maliciously cultivated rumors of exploitation and misplaced distribution of the precious biological will not be allowed to stampede the Congress into hasty and ill-considered mandatory Federal controls.

Sunday I debated with our distinguished colleague, the gentleman from New York [Mr. CELLER], on the program, *Between the Lines*, telecast from the Dumont Telecenter, 205 East 67th Street, New York City, on the question, Should the Federal Government Control Salk Vaccine?

During this discussion, on which I took the position of opposing rigid Federal controls, I was surprised how little is generally known about the nature of Federal restrictions and responsibilities which already apply in the field of biologics control and, therefore, which already apply to the production and distribution of the Salk poliomyelitis vaccine.

The biologics-control law, passed by the Congress in 1902, gave the Research Branch of the Public Health Service control over all biologic products manufactured and distributed in interstate

commerce, and those imported or exported. The law was incorporated into the Public Health Service law of 1944, but the modern statute is basically the same as the one passed in 1902.

Let me explain briefly how the provisions of the law are carried out. A manufacturer who wishes to place his product in interstate commerce must, first of all, be licensed by the Department of Health, Education, and Welfare. These licenses are issued by the Secretary on the recommendation of the Surgeon General of the Public Health Service. Before such license is granted his plant and equipment are carefully inspected by a staff member of the Laboratory of Biologics Control, National Institutes of Health. Personnel are also interviewed on background and competence. Now, in addition to this establishment license the manufacturer must also obtain separate licenses for each biological product which he plans to produce.

The other responsibilities involved in administration of the law concern the continuing control maintained over licensed manufacturers and products. These responsibilities may be stated as, first, periodic inspections of plant facilities; second, testing of products; third, release of approved lots; fourth, retesting or rejection of unapproved lots.

What is the history of control of scarce pharmaceutical materials? Only during World War II, when the entire supply of penicillin was purchased for the Armed Forces, was a biological placed under additional mandatory Government control. As soon as the military requirements and the investigational requirements had been satisfied and the supply exceeded that demand, the penicillin was allocated first to hospitals through normal channels of trade, and finally, it was opened without allocation to everyone through the usual distribution channels. Penicillin was discovered in 1929. When did it first reach the American people? In 1930? Certainly not. In 1935? No. In 1939? Not yet. Only after the battlefield demands of World War II had stimulated the production of penicillin could the average man get it. Yet, on April 16, 4 days after the Salk vaccine was announced effective, youngsters in San Diego, Calif., lined up to receive their first shots of the Salk vaccine. Subsequently over half the States, particularly in the early incidence areas of the South, have received supplies for the first shots.

Streptomycin was under voluntary allocation for a period for investigational purposes. The National Research Council received money from the producers, and a committee of the National Research Council distributed streptomycin for purposes of investigation. No one was charged for it. When this investigational program was completed, there was enough material available to have it enter normal professional channels of distribution. During this period many critical materials were under Federal control but there was no clamor for rigid control of the wonder drug from Washington.

When the adrenal cortex preparation, cortisone, was discovered in 1949 and hailed as a boom for those suffering from

arthritis, its distribution was handled almost identically like that of streptomycin—an investigation program accompanied by voluntary controls administered by an industry advisory group. Many months passed before there was enough cortisone available for even moderately widespread use, yet the voluntary-control program worked. The material reached the American public through normal professional channels of distribution. During this period there was no clamor for rigid, compulsory control of this scarce drug.

As far as Dr. Chester S. Keefer, special assistant for Health and Medical Affairs of the Department of Health, Education, and Welfare, knows, medical history indicates that there have been no vaccines that have been in short supply because they have, in the past, been developed in a much more leisurely fashion and there was not a universal demand.

Should the National Foundation for Infantile Paralysis, who daringly gambled \$9 million on the success of the vaccine, and the six drug manufacturers who gambled millions more on extensive production facilities be penalized for the breathtaking speed with which the vaccine is being made available to the doctors of America for the general public? It seems to me that the authors of the five House bills and the one Senate bill to control and allocate Salk vaccine must answer several penetrating questions before their proposals are accepted. Incidentally, it is interesting to note that all six bills were offered by Democratic Congressmen.

The first question: Would it be possible to hold hearings and guide such a controversial piece of legislation through subcommittee, committee, and both Houses of Congress; then set up an adequate staff, publish the necessary administrative regulations, and give 30 days' advance notice of such regulations, all this in time to function while there was still a shortage of vaccine? It is estimated that by August 1, 1955, enough vaccine will be produced to immunize every child in this country between the ages of 1 and 9, the most susceptible group. By November 1, 1955, more than enough Salk vaccine will be produced to give 111,400,000 shots to completely immunize the 55,700,000 children and adolescents between the ages of 1 and 19. By the first of next year, 62,950,000 people can be immunized and over 107,900,000 shots will be available for sale through normal professional channels. I say normal professional channels because it must be borne in mind that Salk vaccine is required to be prescribed and administered by a physician and the supplies of the vaccine move in the same channels as all other federally regulated drugs.

The second question which the proponents of adopting mandatory Federal control in place of the existing voluntary controls, which have worked in the past, must answer is this, "Would Federal control of the Salk vaccine advance by even 1 day the date at which any American child would receive his shot?" "Would it produce one extra cubic centimeter of vaccine?" It must be remem-



bered that Dr. Salk presently believes that his vaccine will have long lasting effects. There are many who believe that one immunization may even protect for life. In this case, once those in the age groups where polio strikes have been immunized, the overall market for the vaccine will shrink as it is required only for the new group of infants arriving each year. It takes at least 90 days to produce and test a batch of polio vaccine. Passing a law will not change this factor any more than you could legislate a shorter term of pregnancy.

Why change horses in the middle of the stream? In this instance, 80 million shareholders of the National Foundation of Infantile Paralysis, the medical profession and the drug manufacturers have, as a result of a daring gamble, produced a miracle vaccine and a sound plan of distribution in record time. What possible reason exists for substituting compulsory Federal control for the voluntary controls, the National Advisory Committee and the professional channels of distribution which already exist? Do the proponents of this legislation wish to register a lack of confidence in the medical profession, in the drug manufacturers, in the pharmacists of the Nation? Who is it they suspect of potential wrongdoing? Who do they call black-market operator racketeers?—the doctors, the druggists, or the manufacturers?

The fact is indisputable that the most extensive gray markets and black markets of all time have existed in goods rigidly controlled by Federal legislation enforced by Federal agencies. The allegation that 15 adult patients in New York City have been illegally inoculated by 5 physicians is scarcely to be compared to the black markets that existed in New York in tires, coffee, cigarettes, and other rigidly controlled items during the days of patriotic fervor during World War II.

I am proud to have in my congressional district 2 of the 6 pharmaceutical firms who were intrusted by the National Foundation with the manufacture of Salk vaccine, Eli Lilly & Co., and Pitman-Moore Co. These two companies manufacture nearly half of the total output of the vaccine. It is fortunate, for instance, that a company like Eli Lilly decided 4 or 5 years ago to undertake extensive research in the field of tissue culture, a field which offered them no commercial opportunity until they were approached by the National Foundation. These companies and the other 4 have given priority to the vaccine for the National Foundation, which was sold at cost. These companies have a fantastically detailed knowledge of the requirements of the medical personnel of this country, broken down almost to the practice of each individual physician.

Incidentally, Eli Lilly & Co. arranged and financed a closed circuit television program reaching 50,000 physicians meeting in 60 cities in the United States and Canada on the very afternoon of the publication of the Francis report, April 12, featuring Dr. Salk, himself, instructing the doctors of America the technique and plan of vaccination

against poliomyelitis. When did the Federal Government ever act with such sureness, speed, and courage?

When Eli Lilly & Co. starts to ship Salk vaccine through professional channels about June 1, their first shipment will probably be consigned to 25,000 out of the 50,000 drug stores in the United States and that overall total of 50,000 includes many outlets which do not employ a pharmacist and, therefore, would not be eligible to receive Salk vaccine. Pitman-Moore has equally diverse distribution through professional channels.

President Eisenhower, Mrs. Hobby, leading medical associations, pharmaceutical groups and the Foundation have expressed themselves as favoring voluntary control which experts predict needs only continue for a very few months. Why not follow their professional advice and be sure that this material, so vital to our children's safety is dispensed by the physician and pharmacist and not the politician.

I would like to express my appreciation to the following persons who provided a great deal of background information for this study of the Salk vaccine program I have made:

Dr. Chester F. Keefer, special assistant for health and medical affairs, Department of Health, Education, and Welfare.

Donald M. Counihan, legislative liaison officer, Department of Health, Education, and Welfare.

Dr. Karl Bambach, executive vice president, American Drug Manufacturers.

Kenneth F. Valentine, president, Pitman-Moore Co., Indianapolis, Ind., president-elect, American Pharmaceutical Manufacturers Association.

John F. Modrall, director, plant communications, Eli Lilly & Co., Indianapolis, Ind.

Cleon A. Nafe, M. D., Hume Mansur Building, Indianapolis, Ind.

James Waggener, secretary, Indiana State Medical Association, Indianapolis, Ind.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and now yield myself such time as I may consume.

Mr. Speaker, if I may have the attention of the House for a very few minutes, I assure you I shall not trespass upon your time at any length.

As a reading of the rule will disclose, this is an open rule, providing for 4 hours of general debate, after which the bill shall be read under the 5-minute rule for amendment. Any amendment that is germane to the bill may be offered.

Mr. Speaker, I realize that this is a very controversial measure. I realize that this bill is subject to debate. It is a debatable proposition. But, Mr. Speaker, the fact that we have a farm problem confronting the country is not a debatable issue.

Basically, Mr. Speaker, H. R. 12 would restore for 1955, 1956, and 1957 the 90 percent parity price supports on 5 basic crops. These five crops are wheat, cotton, corn, rice, and peanuts. If H. R. 12 is passed it will repeal the provision

of the Agricultural Act of 1954 which instituted flexible price supports for these crops at 82½ to 90 percent of parity in 1955 and permits the supports to drop as low as 75 percent of parity in 1956 and thereafter.

The minimum level for support of dairy products would be placed at 80 percent of parity, instead of 75 percent as under the present law, and an additional \$25 million per year would be authorized for the school-milk program and, finally, the brucellosis-eradication program for dairy herds would be extended until June 30, 1958.

This bill would authorize the wheat producers to hold a referendum in order to decide whether to accept the existing price-support program for wheat or a 2-price program under which wheat consumed domestically as human food would be supported at 100 percent of parity and that wheat going into other domestic uses and into export would sell at world prices.

There are other provisions of the bill that I shall not attempt to discuss at length at this time. Whether 90 percent of parity is the answer to the farm problem, so far as these basic commodities are concerned. I frankly do not know. Neither do I know whether the flexible support price is the answer. Frankly, I doubt if there are many who do know the answer that that proposition poses. But there are certain facts that stare us in the face as we go into the consideration of this legislation.

The average of farm prices is down 22 percent since February 1951.

Farm-operating costs remain near their record high.

Net farm income in 1954 was 28 percent below 1947 and 10 percent below 1953. Further declines are in prospect for 1955 and 1956.

The parity ratio at 86 percent in January was the lowest since 1941.

Farm debt is increasing.

The value of agricultural assets has declined \$10,500,000,000 since January 1, 1952.

Farmers' purchasing power, in terms of 1935-39 dollars, is the lowest since 1940.

Wheat farmers in 1953 received approximately \$2,186,000,000 for their crop.

Under the new farm law enacted by the last Congress, which cut their support price from 90 percent to 82½ percent, and because of curtailments of acreage to reduce wheat surpluses, they will receive for their crop this year, assuming normal yields, only about \$1,500,000,000. This will be a reduction of \$686 million or about 31 percent in the income from producing wheat.

Cotton farmers received for their 1953 crop \$3,007,000,000. Assuming normal yields on their reduced acres this year their income from cotton will be \$1,771,000,000. This will be a slash of \$1,236,000,000 or about 42 percent down from 1953.

Dairymen and other farmers face similar loss of income.

All this is taking place while other areas of our economy are experiencing unparalleled prosperity.

The purpose of H. R. 12 is, therefore, to attempt to reverse this downward



trend or at least to stop it. We repeat that we doubt that this is a complete answer to the farm problem. Personally, we have for many years favored the trial at least of a two-price system whereby the domestic consumption of crops like cotton should be supported at a fair market price while the surplus produced beyond that consumed in this country could be disposed of abroad at the world market price. By this method we could do away with acreage controls and at the same time compete with foreign-produced cotton and regain our world market. But since this idea has not received congressional support and since we are confronted with a choice of 90 percent of parity or a sliding scale, we are supporting the 90-percent parity version.

We do not see how we can do otherwise when the farm income is threatened with a further decrease; when the inflationary trend is still on and the cost of farm machinery, et cetera, is continuously increasing; and at a time when the same administration advocating the sliding scale is also advocating increasing the minimum wage from 75 cents to 90 cents an hour.

Frankly, Mr. Speaker, representing a group of hill cotton farmers, as I do, I do not know how I can say to them that we are going to cut their support price from 90 percent when the rug has already been snatched out from under them under controls. I literally have thousands of small cotton farmers in my State and congressional district who have less than 5 acres of cotton allotted to them to produce a cash crop for this year.

Mr. Speaker, I repeat, realizing the gravity of the situation facing my cotton farmers and the other farmers covered in this bill, that I am not so bold as to say that 90 percent parity is the solution, but I do know that in the situation facing my farmers they are entitled to all the protection that this bill offers them. I shall have no recourse but to support the 90 percent parity until the two-price system, which I have suggested, or some other better plan is offered as an alternative.

Therefore, I appeal to the House to adopt this resolution which I have presented to you here today and thus insure the consideration of the bill which is so vital to a very large segment of our population as well as to such a large part of the Nation's economy. For, surely if the farm economy is not prosperous, the rest of the economy of the Nation must become stagnant and unprofitable.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the gentleman from Mississippi has fully explained the rule and there is no need of my elaborating upon it.

Since I can first remember the Congress of the United States has had serious agriculture problems before it. I remember when in high school reading the speeches of Senator Wheeler, of Montana; Senator LaFollette, of Wisconsin;

and Senator Norris, of Nebraska; and many others regarding the farm problems of that time. I am sure many Members recall that back in the early twenties the evolving farm problem was the chief reason for the formation of the Progressive Party.

When I first came to Congress in 1933 the farm situation was probably the worst of any time in history, at least I believe farm prices were the worst of any time in my lifetime. Since that time, Mr. Speaker, there have been various farm programs enacted. We recall the plowing under of corn and cotton; we remember the slaughtering and destruction of millions of little pigs. We have tried the rigid price support program, and I think most of us will agree that the two wars we have gone through probably did more to bring about higher farm prices than any other thing. Of course we do not want any more wars.

In January 1953 when Ezra Benson became Secretary of Agriculture he found that under the rigid price support program farm prices had sharply declined since 1951. He found that under the rigid price support program there were about \$7 billion in surpluses on the farms, in the warehouses, in ships. In fact they were in about every place one could conceive.

The cost of storing these to the American taxpayer was over \$700,000 per day. Many millions of dollars worth of these agricultural products became deteriorated, yes, became completely destroyed each month. He also found that under the rigid price support program there existed literally tens of thousands of low-income farmers.

So, what did the Secretary of Agriculture, Ezra Benson, do when he was confronted with these three problems that presently exist under the rigid price support program? Let me repeat a reference to the sharp decline in prices since 1951, of over \$7 billion of huge surpluses and with thousand of low-income farmers.

Mr. Benson called the outstanding leaders of agriculture to Washington in an attempt to solve the problems. He brought here the leaders of agriculture from both political parties. As a matter of fact, my good friend, Charlie Shuman, head of the National Farm Bureau, is from the State of Illinois and is a registered Democrat.

These outstanding leaders came to Washington and they sat down and made certain recommendations. One was to do away with the rigid price-support program and to replace it with a flexible price-support program. In order to reduce these surpluses that were on hand it was agreed that more should be provided for the school-lunch programs and certain institutions. Foreign shipments were enlarged. There was also a recommendation designed to help the low-income farmer. Last week the President of the United States sent to Congress a message designed to help the low-income farmer.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Iowa.

Mr. GROSS. And they offered to aid the low-income farmer by providing more money in order to put him further in debt, is that not correct?

Mr. ALLEN of Illinois. Mr. Speaker, in conclusion let me say that under the rigid price supports those faults existed. So during the last session there was enacted the flexible price-support program, and although it has been in operation only 4 months, from January 1 of this year, no crops have been harvested under it, so it has not even had a trial.

Mr. Speaker, I appeal to the membership of the House to give the leaders of agriculture and the Secretary of Agriculture the opportunity to try out the flexible price-support program. If that is done I am convinced that many of the problems of the farmers will be eliminated.

Mr. Speaker, at this time I yield 12 minutes to the gentleman from Massachusetts [Mr. MARTIN].

(Mr. MARTIN asked and was given permission to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, the report of the House Agriculture Committee says:

Farm income has gone down 22 percent since February 1951; the January parity ratio was the lowest since 1941; the farm debt is increasing.

I want to emphasize that the committee report had a startling omission. It failed to state that these depressing conditions all come about while price supports were rigidly pegged at 90 percent of parity. It was because of this downward trend in prices that the flexible-price law was passed last year.

It requires no particular intelligence to realize that some changes were needed in our agricultural industry, large and small. The small farmer particularly is faced with a real problem. He looks to the Congress for help in his hour of trouble.

Today, one-fourth of the families who live on American farms have incomes of less than \$1,000 a year under the rigid support plan.

We all know well that we must have a prosperous agricultural industry if we are to achieve permanent national prosperity.

It was because of the recognized failure of rigid supports that the flexible-price law was enacted. Fixed parity had failed, and corrective measures had to be taken.

Two of our major farm organizations led the fight for the flexible price law. Agriculture economists and others most qualified through their study of the farm problem endorsed the flexible-support law as the most logical way to improve the conditions on the farm.

The 83d Congress passed the flexible-support law which was to become effective with the 1955 harvest. Today, a few months before this new law would have a chance to operate, we are faced with a bill which would nullify this progress—kill this new plan before it has even had a chance.

The flexible-price plan was enacted as a remedy for a sick agriculture. The proponents of the bill before you today



must admit that this legislation will bring no remedy, no changes, for it provides nothing but a continuation of the conditions which have brought about hardship to our farmers.

It will continue the same system that depressed farm income, piled up debts, and created the greatest food waste in the Nation's history. The same system in fact has smothered the Nation in growing piles of surpluses that hang over our economy as the sword hung over Damocles.

The problem of how best the Government can support farm prices causes similar honest and sincere disagreements. Some from corn, wheat, and cotton areas apparently feel that all farm problems can be solved by high mandatory price supports. But a full appraisal of the problem would show that even in areas which raise basic commodities, high mandatory price supports are injurious to farmers.

Price supports are often viewed differently in areas where farmers engage principally in dairying, livestock, and poultry production. Many from such localities feel that the principal reason farmers are unable to maintain a proper income level is that feed costs are pegged at a high level by Federal price supports on the principal feed grains.

These farmers feel that the Government is discriminating against them. There are mandatory price supports on the things they have to buy, but not on the things they sell. They realize, of course, that there cannot be mandatory supports on all dairy products, poultry, and meat, which cannot be stored. As these farmers view the problem, the only way to increase their income is to lower their costs by eliminating Federal supports on the feed grains which they have to purchase.

Why, some ask, should the Government provide any farm-price supports at all? Why should not the law of supply and demand control the market price of farm products as it does most manufactured products? This system has produced a tremendous increase in factory workers' earnings in the past few years. Why would not it do the same for farmers? The fundamental problem of farmers, simply stated, is that they produce more of some products than consumers are willing to buy at a fair price.

Manufacturing enterprises avoid getting into this situation by studying market conditions to determine how much of their product can be sold at a specified price and how much of the total demand is being met by other producers. Such studies enable manufacturers to limit their production to the amount that can be sold at a profit.

However, farmers cannot operate in this fashion. Since millions of different farmers are producing the same products, it would be virtually impossible for each of them to tailor his own production to fit his share of the market requirements. Further, an individual farmer who has already made substantial capital investment in his land would be reluctant to leave a portion of it idle simply because there is not a market for all of his production. Even if he did

curtail his production, he might only be injuring himself, since other farmers might at the same time be increasing their production.

Since total production would still be greater than consumers' needs, the farmer who had curtailed production would suffer both from a low-unit price and from a decrease in his total production. There are so many factors beyond the control of any individual farmer that he cannot by tailoring his own production keep total supplies at a level where the demand will assure him a fair price.

I am sympathetic to the farmers' situation. I want to help him, but the system of high mandatory price supports on basic farm commodities now proposed is not a solution to the farmers' problem, nor will the present proposal assure farmers of a fair return for their product. It has failed after several years of trial.

To be truly effective farm price supports must be consistent with the economic principle that supply and demand are important factors in determining price. The law of supply and demand is not one that this body can repeal. It is a law which merely describes the intellectual process by which one person decides how much he can get for the product he has to sell; and another person decides how cheaply he can buy the same product.

The proposal before us today seeks to reverse these processes. It would attempt to repeal economic principles by providing a fixed price for certain commodities, regardless of supply and demand. It is this system that has caused mounting surpluses and declining farm prices. It is inconceivable to me that anyone would want more of the same.

The flexible price support system enacted by the last Congress, which is due to become effective at the next harvest, is completely consistent with the human character traits which determine price. Flexible price supports enable the Secretary of Agriculture to offer special inducements to farmers to produce commodities for which there is a good demand, and which will therefore bring a good price in the market. Little or no inducement will be offered to farmers to produce commodities of which there is a large supply but little demand. The normal processes of buyers and sellers would do the rest, and farmers could get a fair price for their products in the market.

The present system of high mandatory price supports on basic commodities has been in effect since January 1, 1950. Has this system served its purpose in helping farmers to obtain fair prices for their products by gearing production to demand? When we view the enormous quantities of basic commodities now stored in warehouses I think it is clear that it has not. For example, under Federal price support programs, accumulations at the end of this crop year will total 970 million bushels of wheat, 825 million bushels of corn, 10.2 million bales of cotton, and 1,700,000,000 pounds of rice.

Now, let us look at the record to see whether the system of mandatory price

supports under the law which is still in effect has protected farm income.

Farm prices began to fall in February 1951, 1 year after mandatory price supports at 90 percent of parity went into effect. There was a constant decline in the last 2 years of the Truman administration. Between February 1951 and January 1953, when former President Truman left office, farm prices declined 15 percent.

Because of improved methods of handling the farm program, the present administration was able to slacken the rate of decline, but nevertheless farm income has continued to drop. This makes it clear that high mandatory supports have not protected farm prices, and should not be continued.

Despite Federal price supports at 90 percent of parity, last March the average price for corn, including that sold at support prices, was only 74 percent of parity; wheat brought but 84 percent; and rice averaged only 81 percent.

These figures should make it clear that high mandatory price supports have acted as a depressant on farm prices. High mandatory supports do not offer any inducement for farmers to shift production to items which are in greater demand.

Cereal manufacturers, flour millers, feed-mixing companies, and others who buy corn, wheat, and rice in large quantities for future delivery are well aware of the surpluses. They will not bid competitively for the farmers' grain when they know the Government has huge surpluses which will be sold in the open market at 5 percent above current support price. This means that purchasers can bid below support levels without running any risk that, if unsuccessful, they will be forced to pay high prices because of short supply.

In other words, high mandatory supports create such enormous surpluses that purchasers have no incentive to bid far below established prices. While intended to be price floors, mandatory supports in many instances have proved to be price depressants.

The Government is in a dilemma on how to get rid of this surplus stock. If we give the foodstuffs away to worthy poor at home, we badly dent the domestic market. If we dump the grain to Italy or India, we destroy the markets of those countries and disrupt their normal trade.

The present rigid supports force the Government to buy billions of dollars' worth of foodstuff and then to spend additional millions to store it because it cannot even be sold or given away.

We have already enacted a flexible law which harnesses the natural forces of supply and demand to make them produce greater income for our farmers. The proposal before us today is to cancel out this legislation before it has had a chance to prove its merits.

This is indeed a remarkable bill in that it will leave the farmer and the agriculture industry in the same mess they are in today and furthermore will continue to pile up wasteful surpluses.

If we are to help the farmer, the consumer, and the Nation, we must vote against this bill. That is the intelligent



vote of those who are interested in aiding all segments of agriculture and securing at fair prices food for the millions of our consuming population.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Speaker, the small farmer in this Nation today is faced with a real problem. He looks to the Congress of the United States for help in his hour of need. Are we going to give him the help he seeks, or are we going to turn our back on his problems and tell him he must continue under the same system which has brought him to his knees.

Lest the talk of parity, rigid and flexible supports, has confused some non-farmers, I think one point ought to be made clear at the outset; that is, that farmers, as a class, are not getting rich. Today one-fourth of the families who live on farms in the United States have incomes of less than \$1,000 a year. Since February of 1951 farm income has dropped by 22 percent, and the January parity ratio was the lowest in 14 years.

The farmer today receives only a small percent of the consumer's dollar. The rest goes to the processor, transporter, and distributor.

The farmers have had enough of hardship in the midst of prosperity. They have asked for a change.

Last year the 83d Congress faced the problem squarely and enacted into law a flexible-support system which would be effective for the harvest of 1955. This corrective legislation has not yet gone into effect, yet the proponents of this bill are asking that it be stricken from the books before it has been given a chance to alleviate the farmer's problem. The alternative they offer is that we continue the same policy which has created the economic hardship they deplore.

In the few instances where it has been possible to try a flexible type of price support, improvements have been noted almost at once. For example, since dairy price supports were reduced on April 1, 1954, from 90 percent of parity to 75 percent, there has been a real improvement in the dairy situation. Milk production has leveled off, Government purchases of dairy surpluses are sharply down, surplus stocks are moving into use. Despite the reduction of parity to 75 percent, dairymen have been receiving from 80 to 86 percent for all milk.

We have every reason to believe that the flexible supports would be equally successful in other fields.

To support the bill before us now will be to snatch from the farmer the only ray of hope on his horizon. The flexible supports which will become effective this fall have the full support of two of the major national farm organizations.

To pass this bill will be to turn our backs on these two great organizations and the thousands of farmers they represent. It will nullify one of the greatest progressive acts of the 83d Congress, and it will give the farmer nothing. We certainly should be willing to try the flexible support law and not kill it before it is born.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remaining time to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, it is my privilege to represent one of the most productive agricultural districts in the United States. Corn is the principal commodity. The soil is rich and fertile. Not only that, the people who farm it are industrious and progressive.

With corn 1 of the 6 basic commodities under the direct-price-support program, I necessarily speak as the representative of a people who are directly, and quite materially, affected by the kind of price-support program we shall have. In their behalf I rise to say that we are unequivocally opposed to this bill.

At the outset, let us make one thing crystal clear. By this bill it is proposed to discard, even without trial, a flexible price-support program we adopted last year but which has not yet gone into effect, and return to the rigid high-price-support program we have had for some 15 years. We are being asked to extend for 3 years the very same program that has caused agriculture to get into tremendous difficulties. It does not make sense.

During the course of this debate much has been said about the decline in farm income. Any downward trend in farm prices is a matter of great concern to me. And that there has been a downward trend in farm prices and farm income over the last few years no one will deny.

But, Mr. Speaker, let us not deceive ourselves. Above all else, let us not try to deceive the people we represent. The present level of farm prices and farm income is not due to the flexible price-support program we enacted last year. How could it be? That program has not yet gone into effect and will not go into effect until this coming fall's harvest. We are still operating under the 90-percent rigid price-support program.

We are thus today witnessing a bold—a better word would probably be despicable—political maneuver. The opponents of the flexible price-support program which is not yet in effect, are trying to make it appear that the flexible program caused the decline in farm prices. They use the present level of farm prices and farm income as the reason we should repudiate a program we have not yet tried. The fact is that there has been greater stability of farm prices and farm income these past 2 years than there has been for several years.

I will admit that they are not at the level they should be, and that we want them to be, but that is not the point. The question is what caused this decline in farm prices and the next question is how to reverse it.

The most rapid drop in farm prices took place in 1951 and 1952, following the inflation that took place during the Korean war. Since 1947 the total net income for agriculture has been steadily declining. With the outbreak of the Korean war there was the inevitable demand for agricultural products and with it the rise in prices. When that war

stopped there was, as in all parts of our economy, a difficult adjustment in the transition from a wartime to a peacetime economy. During this transition there have been many maladjustments in agriculture and in industry. But the transition has now been made and our economy has been stabilized. The Eisenhower administration deserves great praise for the comparative ease with which the country as a whole made the transition from production for war to production for peace.

With the stabilization of our economy as a whole, agriculture is likewise becoming more stable in prices. Parity is not solely the price of agricultural commodities; it is the relationship between the price of what the farmer sells and what the farmer buys. And it is our determination to make certain that such a relationship between the two is maintained that the farmer gets his rightful share of our national income.

Last January the parity ratio stood at 86, which is 8 points below that of 2 years ago, when the Eisenhower administration assumed office. In the 23 months previous to January 1953, the price-parity ratio had dropped 19 points. What I am making crystal clear here is that political speaking—and politics is the reason for the farm proposal being here today—there was a marked decline of 19 points in 1951 and 1952 under the New Deal-Fair Deal as against an 8-point decline in 1953 and 1954 under the Eisenhower administration.

It should be obvious that the high price support program which we are being asked by this bill to retain has not proven sound. Despite stepped-up disposal operations and despite restrictions on acreage, the Government's investment in farm commodities has continued to increase. At the end of 1954 the Commodity Credit Corporation had the record high of \$7,171 million invested in price supported commodities.

This represents a tremendous cost in dollars. During the last fiscal year the realized cost of programs primarily for the stabilization of prices and income totaled \$962 million. And, perhaps even more important, the mere existence of these tremendous surpluses as a threat to the market depress the normal market price. A vicious circle is thus created, and the farmer is caught in the middle of it.

High rigid price supports, lacking the necessary flexibility to allow adjustment of production with demand, has produced many surplus problems. Take McLean County in my district just as an example: As reported by the Daily Pantagraph in Bloomington, the Commodity Credit Corporation will need something like 3½ million bushels more storage space before it takes over all the 1954 corn crop. In McLean County alone there is already a total of 10 million bushels of corn in CCC steel bins, and I understand there is only a half million bushels of empty space.

That is the type of situation which high rigid price supports create. It encourages production considerably beyond the available market. Farmers are encouraged to produce not alone for



consumers but for Government warehouses. And this certainly does not help the farmer in his problem. It only leads to more and more Government restrictions, to less and less acreage allotments, and more and more Government controls. This is something which our free American farmers do not want.

From the experience we have already had with the 90 percent of parity program two points are crystal clear. The record proves it. The 90 percent of parity program failed to protect farm income when conditions changed and farmers faced a need to make adjustments. Instead of helping them make the necessary adjustments, rigid price supports magnified the problem by piling up surpluses which are now depressing prices of corn, cotton, and wheat. The record is clear that the 90 percent of parity program appeared to work when the market demand, bolstered by war and inflation, kept farm prices above the support level.

The idea that mandatory 90 percent of parity price supports have been a blessing to the farmers will not stand examination. It was not price supports that caused farm prices to average 124 percent of parity for 1946 and 113 percent of parity for the 11 years 1942-52. It was the extraordinary demand associated with war and conditions that grew out of war. In war there are no surpluses, and it goes without saying that our farmers, like all good Americans, want peace—not war.

And yet it is proposed here today to continue the 90 percent parity-support program when we well know from actual experience that this program has brought agriculture production completely out of balance. To continue the program inevitably means that action will have to be taken that acreage diverted from wheat and corn is not devoted to the destruction of the markets of unsupported crops.

It is axiomatic that in order to have a sound, prosperous national economy we must have a sound, prosperous agriculture. It is also axiomatic that in order to have a sound, prosperous agriculture the farmers must be able to realize their fair share of our national income.

That is our objective. It has not been attained by the rigid 90-percent price-support program, and it will never be attained under it. That is one of the reasons we adopted the flexible program last year but which has not yet become effective. It is almost beyond understanding why it should be proposed that we return to an unsuccessful program in lieu of the flexible program we have not yet tried.

There is only one type of supports which will promote shifts in production and supply to meet changes in demand. That is flexible price supports. They can produce larger income because they permit larger production.

If we are to protect the farmers, he must be protected not only in price but also in an available market. He must be able to adjust production to consumer demand. And this can only be accomplished if American agriculture is allowed to operate on a flexible, rather than rigid basis.

It should be borne in mind that no price-support program in and of itself represents a solution to the farm problem. In our view the key to a solution is the development of new markets and the finding of new uses for the commodities. On both counts the administration is working most vigorously.

Among other things, the Congress enacted last year in accordance with President Eisenhower's recommendation what is known as the Agricultural Trade Development and Assistance Act of 1954. Under this program agricultural commodities are exchanged for strategic materials for our defense stockpiling program. In that respect it has a two-fold objective.

In our program to develop and expand foreign markets for our farm surpluses particular attention is being given to underdeveloped and new market areas. And in the administration of the program for the disposal of farm surpluses on foreign markets great care must be, and is being taken, that we do not adversely affect the economies of other agriculture producing countries who are our allies and whom we are striving to help become economically and militarily strong.

The point is, Mr. Speaker, that there is no ready, easy, overnight solution to the farm problem. We have had many years of experience with the high rigid price-support program, and we have found it unsuccessful. It was for that reason that we enacted a flexible program designed to become fully effective with this year's harvest. In proposing by this bill that we return to a more or less discredited program I suspect this is nothing more or less than a political maneuver. Instead of courageously facing up to the conclusive facts, instead of really attempting to solve the farm problem, it is here proposed that our action be influenced by political considerations.

I, for one, refuse to play politics with the welfare of my farmers. I repeat what I have so often said here and elsewhere: The farm problem is an economic and not a political matter. A solution to it must be based upon economic and not political considerations. If we take that approach, we will summarily and overwhelmingly defeat this bill.

Mr. COLMER. Mr. Speaker, I yield 3 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I have asked for permission to speak out of order only because I am deeply concerned with a situation which I feel sincerely is rapidly approaching what we must refer to as critical. I am disturbed because many of my colleagues have sought me out to inquire about the plans of the Department of Health, Education, and Welfare relative to the distribution—and the most effective use of the Salk vaccine.

At the outset of these brief and necessarily hurried remarks let me remind my colleagues that I have always been in the

forefront in expressing my opposition to measures which would bring about the control by the Federal Government of those agencies and institutions which minister to the health of our people. The Federal Government, however, does have a responsibility in relation to the health of all our citizens and as long as this responsibility is kept in the proper perspective I think it is mandatory that we in Congress acknowledge it and take the necessary steps toward discharging that responsibility.

Although the scourge of poliomyelitis has been mounting steadily in our population through the years, it has been only in the relatively recent past that we have seen the slightest glimmer of hope in answer to our prayers for the where-withal to cope with it.

For over 150 years the disease we know as polio has been known to medical science. Yet, no coherent theory of the disease had been established. Scientists were not sure where the disease came from or how it entered the body; hence, there could be no scientific basis for an effective means of immunization or control.

It was not until 1948 that science really began unraveling the mystery. There have been many eminent doctors and truly great scientists who have contributed much to the discoveries which in our time brought about the vaccine which offers us so much hope for our children and the children of tomorrow. In recent weeks news stories and articles in all sorts of periodicals have recounted the various steps which led to this most important discovery of the Salk vaccine.

I would like to take this brief moment of your time to pay my personal tribute and acknowledge my everlasting gratitude to Dr. John Enders, of Harvard University, whose cultivation of the poliomyelitis virus in tissue cultures gave me the first thrilling feeling that a preventive vaccine could be produced.

As you well know, many people have contributed much—in dimes and in dollars—in an effort to find the cause and a prevention of polio. The money our people gave made many things possible. Scientists and physicians could be specially trained for polio research. Additional scientists were recruited to lend their talents to the never-ending search. Laboratories were established and equipped at great cost to aid in the work which was naturally highly specialized. All this and the glorious results which have been achieved were the result of the contributions of many people—in money, in time, in effort, in scientific knowledge and skill—and in prayer.

We are on the verge of a great development in our history—the immunization of our children against this violent scourge which has broken a thousand hearts. Here, I insist, is an area in which this Federal Government has a firm and clearly defined responsibility.

The medical society of my State of Rhode Island have placed my thoughts in words in proposing a sensible formula for the distribution of this vital polio vaccine.

My hometown newspaper, on May 1, contained an editorial on the subject



which is worthy of the consideration of all of us. I sincerely request that you read it. At the close of my remarks I shall ask for permission to insert this editorial in the RECORD for the attention of my colleagues.

There are two major problems involved in assuring that every child—every person who is susceptible to polio—gets the benefit of this great vaccine discovery.

The first is the problem of supply. How much vaccine is available now and how much will be ready for use by the peak of the polio season? How soon, within the limits of productive capacity, can shortages be overcome?

The second is the problem of distribution. How can we make sure that available supplies are being properly used? How can we plan for a patient, an orderly, and an equitable distribution pattern, so that the vaccine goes first to the most susceptible groups in the population? How can we maintain public confidence, minimize black or gray market operations, and prevent profiteering or injudicious use of the vaccine? In short, how can we assure the American people of a calm, rational, and fair distribution of this great boon to health?

This, I submit, is our great responsibility to the American people. It is our best way of keeping faith with them and with Dr. Salk and all the scientists who worked so hard and so long to make this medical miracle possible.

As to the question of supply, it has been estimated, on the basis of data submitted to the Department of Health, Education, and Welfare by the pharmaceutical firms licensed to manufacture the vaccine, that there was enough vaccine available on May 1 to immunize almost 6 million people. All but about 10 percent of this supply is committed to the National Foundation for Infantile Paralysis. This will be used, under the Foundation program, for vaccinating 9 million children in the first and second grades by the close of the school year. This phase of the program, according to project plans, should be completed by July 15.

By August 1, according to the Surgeon General of the Public Health Service, there should be enough vaccine to immunize all children between the ages of 1 and 9, the most susceptible age groups.

The critical period, therefore, is the next 3 months, the time between now and August 1, when polio traditionally begins to hit its seasonal peak. This is the period when the vaccine will be in extremely short supply and yet when the demand will be greatest.

In considering the question of allocation and distribution of the polio vaccine while it is in short supply, the central problem is the equitable distribution of available supplies so that each State receives its fair share of vaccine regardless of ability of the consumer to pay. Within the States, vaccine must be made available for purchase by tax-supported agencies for use in school and health departments and for private practitioners for use with their patients. Other problems which must be consid-

ered are allocations for export, and allocations for the dependents of the Armed Forces and of Federal employees stationed abroad.

Finally, there is the problem of making the vaccine available to those persons who are unable to purchase it and pay for the services of a private physician. Five States have already appropriated funds for purchase of the vaccine and 13 other State legislatures are considering appropriations for this purpose. In addition to this State aid, many national groups have voiced their opinion of the necessity for some form of financial assistance from the Federal Government for low-income families.

These, therefore, in their briefest outline—summarize the problems of supply and distribution of the Salk polio vaccine.

All the discussions I have had—all the information I can obtain on the problems of supply and distribution—lead me to the conclusion that the Federal Government would not have to exercise the authority I propose in the joint resolution I have introduced today for longer than a period of a few months. I feel certain that by the time next winter rolls around the vaccine supply will be closely approaching the demand and we can expect the voluntary controls to take over. Until that time, however, we as guardians of the Nation's welfare have a direct obligation to initiate immediately a temporary national program insuring equitable allocation and distribution of this previous Salk vaccine.

To that end I have introduced the resolution which, I understand, will be referred to the House Committee on Banking and Currency. I have talked with the chairman of that committee, my dear friend, the Honorable BRENT SPENCE, of Kentucky, and have been assured by him that the bill would be scheduled for hearing at the earliest possible moment. I plead with you for your sympathetic consideration of this most important problem and I am including in these remarks a copy of the bill for your review and attention:

Joint resolution directing the Secretary of Health, Education, and Welfare to exercise, for a limited period of time, certain emergency controls with respect to the distribution and use of the Salk vaccine

*Resolved, etc.,* That the Congress finds that the Salk vaccine for the prevention of poliomyelitis affords, at this time, the only effective means for preventing that disease, that the demand for the Salk vaccine far exceeds the supply, and that this temporary shortage in the supply of the vaccine has given rise to an emergency health problem which, being national in its scope and nature, requires the exercise for a limited time, as provided in this resolution, of certain emergency controls with respect to the distribution and use of such vaccine.

SEC. 2. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary")—

(1) shall establish such priorities as he determines necessary to insure that the available supply of the Salk vaccine shall be distributed first to the most susceptible age-group (based on existing medical knowledge) and thereafter to other age-groups in descending order of their suscepti-

bility to such disease, and such priorities, to the extent deemed appropriate by the Secretary, may be established on a regional basis; and

(2) shall establish a price per unit for the Salk vaccine (exclusive of the cost of administering such vaccine) which is fair and equitable to the sellers of such vaccine.

(b) The Secretary, on the basis of priorities established under subsection (a), shall allocate to each State its share of the available supply of the Salk vaccine.

(c) The health department of each State shall establish a program, approved by the Secretary, governing the distribution, sale, and use, in accordance with this resolution and the requirements established under authority thereof, of the Salk vaccine allocated to such State.

SEC. 3. (a) No Salk vaccine shall be sold at a price other than the price established in accordance with section 2 (a) (2).

(b) No Salk vaccine shall be sold in a manner, or upon terms or conditions, in conflict with the applicable program established by the health department of a State pursuant to section 2 (c).

SEC. 4. The supply of Salk vaccine which has been purchased or contracted to be purchased by the National Foundation for Infantile Paralysis shall not be subject to the provisions of this resolution so long as such supply of vaccine is owned and distributed by such National Foundation.

SEC. 5. The Secretary shall issue such regulations and orders as he deems necessary to carry out the provisions of this act (including regulations and orders with respect to the sale and distribution of the Salk vaccine in any State prior to the establishment and approval of a program in such State pursuant to section 2 (c)).

SEC. 6. Whoever willfully does any act prohibited, or willfully fails to perform any act required, by the provisions of this resolution or of any regulation or order issued under this resolution shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than 2 years, or both.

SEC. 7. As used in this resolution—

(1) the term "health department" means the department, agency, or authority of a State having jurisdiction over public health matters; and

(2) the term "State" includes, in addition to each of the several States of the United States, the District of Columbia, and any Territory or possession of the United States.

SEC. 8. This resolution shall cease to be in effect at the close of May 31, 1956, except that if, prior to that time, the Secretary finds, and makes a public announcement, that the emergency which necessitated the enactment of this resolution no longer exists, then this resolution shall cease to be in effect at the close of the day upon which such public announcement is made.

#### PLANNING THE ANTIPOLIO INOCULATION PROGRAM FOR RHODE ISLAND

Rhode Island's doctors, through their medical society spokesmen, have proposed a sensible formula for local handling of the polio inoculation program.

The recent Washington conference on national aspects of the problem provided for machinery to insure a fair distribution of existing vaccine supplies around the country generally. But the individual States were left to take it from there on the basis of plans laid by local health authorities and doctors. And the Rhode Island Medical Society wasted little time in doing its share toward such planning here.

The doctors recommend that first priority for inoculations be granted to children from 1 to 6, and that those from 7 to 11 be next in line. This would provide protection first



where it is most needed as indicated by medical experience in our region. The medical society offers the services of its members without charge to administer the vaccine to children of families on the welfare roles and to the children of others who are unable to pay doctors' fees. And it recommends that the State government purchase the vaccine this year for families unable to afford it for their children.

How the priorities would be enforced, and how distribution of vaccine would be controlled locally remain to be determined, presumably by the State health authorities in cooperation with representatives of the doctors. And it will fall fully to the State to find the money to pay for the vaccine purchased for welfare families and those others who are unable to pay for it themselves. This may prove a fairly costly item in the end, particularly since the proposed need formula is loosely phrased.

But there can be no argument with the medical society's recommendation that "no child in the eligible priority age groups in Rhode Island shall be denied the polio vaccine \* \* \* because of the inability of the parents to pay for either the vaccine or the services of a physician." That is the only right and moral objective to pursue, and the State's doctors have made a useful contribution and an unselfish pledge toward its achievement.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. McVEY].

Mr. McVEY. Mr. Speaker, I have great admiration for the members of the committee who have brought to us for discussion House bill 12. I regret I cannot agree with some of its provisions which I feel are contrary to the best interests of this country.

The feeling seems to prevail that the large majority of farmers of this country are in favor of the continuance of a 90-percent parity-support program. I come from Illinois, one of the finest agricultural States in the Union. The Illinois Agricultural Association has taken a position decidedly opposed to many of the features of this resolution.

House bill 12 contains in part the following features:

First. Provides 90-percent mandatory price supports for wheat, cotton, corn, peanuts, rice, and tobacco through 1957.

Second. Provides for raising the minimum level at which dairy prices must be supported to 80 percent of parity.

The following excerpts are taken from a letter signed by Mr. Otto Steffey, president of the Illinois Agricultural Association:

In regard to the continuance of 90 percent of parity on basic commodities we have had such a program since the war. It has tended to stimulate production while depressing markets, has led to the greatest surplus situation in the history of the country and, at the same time, it has failed to maintain farm prices. In the light of this unfavorable experience it seems to me that we should give the 1954 Agricultural Act an opportunity to work. You are, of course, aware that nothing has yet been sold under this program.

Concerning 80-percent support on dairy products—

Mr. Steffey continues—

It appears that milk production and demand are currently moving toward a better balance, but we are still in a surplus situation. It would be unwise at this time to

take any action which would reverse this trend.

In the interest of a strong and prosperous agriculture in Illinois, I trust you will use your utmost influence to prevent the passage of this bill. This action would be in complete accord with the policy of this organization as established through 1,200 local policy-development meetings held over the State of Illinois during 1954, and adopted by the voting delegates at the annual meeting in November.

The statement that the 90 percent parity feature of the law has only cost this country a small amount of money is entirely erroneous. The peanut industry alone has cost this country \$118,033,436. There have been similar losses in the sale of corn and wheat. No one can estimate the ultimate loss to the country when all of the crops held by the Commodity Credit Corporation are finally disposed of. The Government held on January 31, 1955: 619,988,000 bushels of corn and 726,553,000 bushels of wheat in price support inventory. The total cost of storage on all commodities held by the Government for the calendar year 1954 amounted to \$258,612,000 or a daily cost of \$708,526.

The small amount of loss claimed by adherence to this program is sometimes accounted for in the fact that the receipts which accrue from the processing of sugar are used to offset losses incurred by the farm-support program. This is entirely unjustifiable because sugar is not a part of our price-support program, and if the Government does receive revenue through a levy of one-half cent per pound on the processing of sugar such returns cannot with justice be used to minimize the loss incurred by our parity-support program.

We are faced here with an unusual situation. Farm prices have been declining for a number of years under our 90 percent parity price program. A year ago, the flexible price support idea became a part of this program, but it does not go into effect until the crops from this year are harvested. Any ills which we are experiencing at present cannot be laid at the door of the flexible price-support program because it has not as yet been in operation. The declines in the purchasing power of the farmer have occurred under the 90 percent parity price support program. The flexible price-support program has for its chief purpose an effort to bring demand and supply into balance, and until this is done we can hardly expect anything like the types of farmer prosperity which we experienced during the war. It would seem that, in view of all the circumstances involved, we should vote against House bill 12.

Mr. FOGARTY (at the request of Mr. COLMER) was given permission to revise and extend his remarks.

Mr. COLMER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

(Mr. CELLER asked and was given permission to speak out of order.)

Mr. CELLER. Mr. Speaker, I endorse wholly what the gentleman from Rhode Island has stated. The difficulty that has arisen with the vaccine made by the Cutter Laboratories in California

dramatizes the need for some sort of Federal control on all levels, the manufacturing level, the inspection level, and the distribution level with respect to the Salk vaccine.

Just contemplate these figures briefly: By June 1 of this year there will be available about 16 million units of 16 cc. each of this vaccine. The immunization program calls for two shots per child several weeks apart followed up by a third shot. Of these 16 million units the National Foundation for Infantile Paralysis will have purchased 9 million, leaving 7 million combination shots of 2 each. These 7 million immunizations will be covered by over 22 million children of age between 1 to 9 years. Even more will bid for these 7 million—more than 22 million children between 1 and 9 years. Children older than 9 will bid. These are 51 million children and teenagers of all ages of 1 to 19 whose parents and loved ones will doubtlessly bid for the available supply of vaccine.

If we had Federal control I am sure there would be no doubt that the vaccine would be properly channelized to those children who are in most desperate need, those who suffer most from the infection, namely, those between the ages of 1 and 9. Within the age bracket of 4 to 9 the virulence is greatest. Unless we have some sort of rigid mandatory control priorities will be disregarded. We cannot rely on voluntary control. Those children who are in most earnest need of the vaccine will have to do without because when you have such a tremendous demand with a small supply, comparatively speaking, justice and honesty and fairness become lost virtues. Frantic parents will get that vaccine and will do all and sundry to get it for their loved ones and their children regardless of need for priority. That is human nature. Therefore, we must have Federal control. Of course, we will not get any more vaccine under Federal control but I am sure that we will have the available vaccine sent along proper necessary and appropriate channels so that the little ones who need it most will be the first beneficiaries.

I herewith submit a news release on the subject dated yesterday:

CELLER ASKS CONGRESS TO ACT ON BILLS FOR FEDERAL CONTROL ON ANTIPOLIO VACCINE

On May 2, Congressman CELLER addressed a letter to Chairman BRENT SPENCE, of the House Committee on Banking and Currency, on the necessity for Congress to act to provide for Federal control of allocation and priority of antipolio vaccine. Text of the letter follows:

"Hon. BRENT SPENCE,

*Chairman, Committee on Banking and Currency, House of Representatives, Washington, D. C.*

"DEAR MR. CHAIRMAN: The disorderly and ineffectual procedures growing out of the adopted voluntary control system of distribution of the antipolio vaccine have the makings of a national tragedy. When the gap between supply and demand is so large as the following figures graphically show, no system of voluntary controls can work when the natural protective instincts of parents are fiercely awakened.

"We have a supply that, as of June 1 of this year, will immunize only 16 million children. Of these 16 million, 9 million will



be covered by the National Foundation for Infantile Paralysis program. Competing for the remaining 7 million immunizations will be 22,827,000 children in the critical age groups of 1 to 9, and a total of 51 million children under 20.

"The administration's decision is to prescribe no priorities and only indirectly to suggest to the States that children aged through 9 deserve priority. I call your attention to an editorial on polio on the first page of the New York Herald Tribune (an administration supporter usually) for Monday, May 2, which most strongly dissents to the administration's system of voluntary control. I quote from this editorial:

"Prior to the publication of the Francis report on the success of Dr. Salk's discovery, no agency, public or private, had thought through all the problems involved in the production and distribution of this great boon. \* \* \* The Federal Government, the only authority capable of exercising national controls, made no serious effort, before the release of the report, to anticipate its responsibilities. \* \* \* The fear of polio has haunted parents for generations. It is too much to expect of human nature that when the promise of release from that fear appears, voluntary arrangements will hold against a mother's insistence on the protection of her children or the greed of those who want to make money out of that emotion. New Yorkers remember the near riots that were produced by the distribution of gamma globulin, far less effective than the Salk vaccine. They are aware that already supplies of the new serum have disappeared into unauthorized channels and been diverted to adults when the moral right of children to priority is unchallenged. \* \* \* To bring order out of this explosive situation, a national law is essential."

"Hence the responsibility now falls on the Congress to take leadership and provide for Federal control to allocate and establish priorities for the Salk vaccine. Several such bills, including my own, H. R. 5611, are now before your committee. The Congress must act now in view of the administration's failure to grasp the magnitude of this problem, so that provision can be made for the fair and equitable distribution of the available supplies of such vaccine and assurance given that children in critical age groups will obtain priority in receiving the benefits of this vaccine. With a voluntary control system, equitable and fair distribution will become impossible for rural children and for children of the poor who do not come within the NFIF program.

"We have Federal control in the allocation and distribution of nonferrous metals, such as lead, tin, aluminum, titanium, etc. Surely children are more important than lead or aluminum. During the war the distribution of penicillin and other antibiotics was under rigid Federal control. There is Federal intervention authorized by law in the prevention, treatment, and control of venereal diseases, so that, again, we are not lacking in precedent.

"The A. F. of L., the CIO, United Parents Association, National Farmers' Union, and some 40 organizations, favor Federal control.

"May I therefore most respectfully urge that the committee take prompt action on the bills now before you, and I shall be most happy to testify before your committee at any time you make available to me.

"With assurances of esteem, I am

"Sincerely yours,

"EMANUEL CELLER."

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 12, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 21 minutes.

Mr. Chairman, the issue that is now presented to the House is in no sense of the word new. I doubt very much if I shall say anything during the course of my remarks which I have not said either on this floor or in some other forum concerning this very important matter. All that I shall say will probably be nothing more nor less than a recapitulation of things that have been said heretofore. But I feel justified in saying some of these things over again today.

At the outset and somewhat in answer to the speech made by the gentleman from Illinois [Mr. ARENDS] a little while ago, I want to assure the Members of the House that I am not prompted in the slightest degree by partisan politics in presenting my views on this proposition. As evidence of the fact that this is not a partisan issue, I need only call the attention of Members to the fact that one of the greatest champions of the cause of agriculture I have ever known sees eye-to-eye with me on this measure. I refer to our very distinguished colleague from Kansas [Mr. HOPE] former chairman of the Committee on Agriculture.

Not only during the time that I have been chairman of the committee but during the entire time that the gentleman from Kansas [Mr. HOPE] was chairman of our great committee, and during my entire service on that committee every chairman of that committee has tried diligently and constantly to keep partisan politics out of our deliberations. This issue cuts across party lines. Our committee is supported not only by the gentleman from Kansas [Mr. HOPE], but by the gentleman from Minnesota, [Mr. ANDRESEN], and other very distinguished members of that committee on the minority side. So, let us be done with politics and try to decide here today what is best for our constituents and our country. If I thought that this program was financially burdensome to the taxpayers of America, I could not support it. If I thought that it had contributed substantially to the increased cost of living, I could not support it. But, I am prepared, Mr. Chairman, to answer the arguments that will be leveled against this measure and to prove by facts and figures from the Department of Agriculture that the program has not been financially burdensome to the taxpayers and it has not contributed unduly to the increased cost of living.

Mr. Chairman, it is strange that we seem to have forgotten that up until July 1953 our agriculture in America was geared to the fast-moving wheels of war, and the farmers of America were constantly being urged to produce abundant crops, wheat, corn, cotton, and other essential and vital commodities, and in a sudden moment there was a cessation of hostilities in Korea, and there we were with a crop already planted in 1953 and those crops had to be harvested. No one had suggested marketing quotas and acreage allotments on wheat and corn, because we were told, as we were told in World War II, "Food for freedom would win the war." That was the slogan, and we were urged to produce. Now, when we find ourselves with a temporary abundance and our storage warehouses bulging, the poor farmer is singled out by men in high places, and every blustering, blundering bureaucrat in the Department of Agriculture has turned against the tillers of the soil. Secretary Benson himself has denounced and ridiculed the farm program throughout the length and breadth of the Nation. A deliberate, willful, wicked, and wanton effort has been made to cause the consumers of America to revolt and turn against the farmer. This is the time in the Congress of our country, the United States, for a fair, frank, fearless, and forthright discussion of the facts and figures. This is no time for fancy, fiction, fallacy, or fraud. The people of America have a right to know the truth. Officials of the Government and some farm leaders have started out to wreck this program. More misleading information has been given to the public about the farm program than on any other proposition ever presented to the people of our country.

Here are some of the fallacies. First, they contend that with 90 percent of parity the farmer was pricing himself out of the market. How can the Secretary of Agriculture say that the farmers are getting more than they should for their work and their produce at a time when the average income of persons living on the farms throughout the country is \$918 a year, which is one-half the \$1,836 income of persons not living on farms?

In this connection, I need only call your attention to the recent message from the White House pointing out the fact that 1.5 million of our farmers are living on this meager annual income. Mr. Eisenhower has called upon the Congress to do something about it.

Mr. Chairman, let me call your attention to one sentence that refutes on the one hand what Mr. Benson has said so eloquently on the other. Here is a little bulletin published in the Department, More and Better Foods. What does Mr. Benson say to the consumers of America as he tries to put across this great story in behalf of agriculture? The heading is "Better Living." The first sentence is as follows:

An hour of your labor will now buy more food—and better food—for your family than ever before.



Is that true or is it not true? If that is true—and Mr. Benson says it is, and Mr. Benson, of course, is an honorable man; no one questions his motives or his sincerity—if the consumer is getting more food and better food for his labor than ever before, what right does the consumer have to complain?

The second proposition is that the 90-percent supports are responsible for the surpluses and the great cost to the Government. The 90-percent supports are not responsible for the surpluses that we have produced. This simply is not true. Price supports did not create our surpluses of basic crops. The abundant supplies were created on account of policies of our Government which, at the advent of the Korean conflict, lifted production controls of the farm program and called for all-out production of our major crops. The 90-percent supports were no more responsible for this great output of food and fiber than they were for the production of the vast arsenals of planes and guns and tanks and ships and shells that have not yet been put on the battleline.

Is anyone screaming at the managers of our great industrial plants for producing war materials that were not actually used? I say to you that had the Government not put aside the crop adjustment machinery in the face of a dangerous world situation, we would have no surpluses today. In other words, we did not use the acreage allotments and marketing quota laws on these basic agricultural commodities in an effort to keep production in line with reasonable consumer demands.

Third, that the recent decline in agricultural income has occurred while 90-percent price supports were in force. That is true. But the loss has come largely through farmers cutting back their production in an adjustment to peacetime needs. Without our farm program, which has held the price line on the basics and other important crops, our agriculture today would be in the depths of a depression menacing the stability of our entire economy.

Fourth, that flexible or sliding-scale supports mean less control and more freedom for farmers. That is another fallacy of Mr. Benson. The same machinery for production adjustments must be used either with 90 percent or flexible price supports in effect. Mr. Benson has not called for the relaxation of one law relating to production adjustments, but, in fact, has sought to impose upon the agriculture of America the most stringent controls in our history. The fact is that he put in his control program on diverted acres, and for some reason which he has never offered to us, of his own accord, he withdrew those drastic controls.

Fifth, that the agricultural program involves unreasonable and burdensome surpluses and costs. Subsidies amounting to billions of dollars have been paid in many areas of industry and business since the beginning of our Government. Only recently has the principle been used to any appreciable extent in behalf of agriculture. Data prepared by a House Appropriations Subcommittee in 1954

indicated subsidies amounting to approximately \$45 billion have been paid to business since World War II, a large part of this as business reconversion payments. In contrast, the support of the basic crops through the Commodity Credit Corporation cost the Government only \$21 millions in 21 long years. Maybe you gentlemen have not stopped to realize, that the overall program on basic commodities, a rigid price-support program, showed a net profit of more than \$13 million when the Republican administration took over. Do not misunderstand me. I am not blaming the Republicans for the losses we have sustained, but it is a fact that when you came to office we had a net profit of over \$13 million. Pretty soon the net profit had disappeared, and even now, at the end of 21 years, the program has cost only \$21 million. Even up to the present time, with the losses that have been sustained in recent months, the losses on the basic program have been negligible when related to the sustained farm income and the sustained accumulated national income during the same period of time.

How is the consumer faring in all this?

In one breath Mr. Benson says the farmer is pricing himself out of his markets, and then he publishes a book down at the Department, which I just called your attention to, in which he says an hour of labor will now buy more food and better food for your family than ever before. The two statements are not compatible, they do not fit one with the other. The fact is that the consumers' greatest ability to purchase food has occurred during the years of the development of the farm program.

If ever there was any doubt about Mr. Benson's attempt to divide farmers, set one group against the another, and to discredit the price-support program, that doubt should be dispelled by his recent deliberate action in sending out misleading information from the Department of Agriculture.

I cite particularly his action of April 10 in issuing a statement on farm income and price supports in which he published maps purporting to show that the basic commodities, including wheat, corn, and cotton, are relatively unimportant to the farm economy. His statement and the accompanying maps constitute a willful effort to set livestock farmers against the producers of feed grains. In this, to suit his purposes, he ignored a finding of his own technical staff that a program of price supports and storage for feed grains is a stabilizing factor to the livestock industry.

Let me point out one other thing. Mr. Benson says that the livestock producers have not had a price-support program and have not wanted one. The truth is we spent more in 2 years supporting the price of livestock than the entire basic program has cost from the very beginning up to this good hour.

On the basis of what he already has done to destroy the program of the basic crops, I should think we may expect Mr. Benson soon to issue other series of maps, 1 set showing how unimportant he considers the marketing agreements law that protects a large part of the dairy

industry and many growers of fruits; another set discrediting the sugar act because beet and cane growers are not so numerous as other producers, and still another set emphasizing his idea of the unimportance of the surplus removal program which in recent years has been used to halt a price catastrophe for livestock producers, and for the producers of potatoes and other important crops.

Mr. Benson certainly must consider these market agreements, the sugar act and surplus removal programs unimportant because individually these programs may aid farmers less than the general price support program which he ridicules so violently, and the Secretary seems unwilling to admit the fact that our coordination of programs has benefited directly or indirectly 90 to 95 percent of all farmers producing crops and livestock.

No one segment of our economy has been singled out for such lambasting and for such cruel treatment as is now being administered to the farmers of America.

If we here should be foolish enough to repeal, abolish, and abandon the Federal farm program, this Nation would go into an economic tailspin. A prostrate agriculture—as our history shows—means a paralyzed America.

In concluding, I want to say one more thing. I have been villified, denounced, and lambasted all over the country. Every time we have brought a bill out of this committee of ours in years gone by, some city Congressman has asked—what about the consumers? What do the consumers say about this? And we could only answer that we had public hearings and although there are thousands of consumer groups, not a single consumer appeared in our committee room to oppose this program. That was somewhat in the nature of negative testimony. So I did something which I think, perhaps, no other chairman of our committee has ever done, and I did it in good faith to ascertain the views of the consuming public. I invited the labor leaders of America to come to our committee room. I had never met Mr. Walter Reuther nor had I ever made the acquaintance of Mr. George Meany. I have had no contact with the labor leaders. But I thought it was only fair that Congress should know what the industrial workers thought about this proposition. So we invited them. I want to repeat again that Mr. Reuther made one of the best speeches I have ever heard delivered in that committee room and I commend it to every one of you to read. I do not believe that anybody who heard that speech could doubt the man's sincerity for 1 moment. I think he spoke with great sincerity. He is supporting this program vigorously. He said boldly that he was speaking for 6 million members of the CIO. Now multiply that by 4 or 5 and you will embrace the families of all the CIO workers, which would number, perhaps, 20 million to 25 million people. They are consumers. I do not know the membership of the A. F. of L., but I know that Mr. Meany is the president and he is in favor of this legislation. If you will look at the record, you will see that all the organized groups that we know anything about in



the consuming centers are now in favor of this legislation. Anyone who wishes to join us now and who has heretofore voted against the proposition, has every reason and justification on earth to do so because we know now from Mr. Benson that the program is not burdensome to the consumer and we know from his facts and figures that it is not expensive to the Government and now we know that the consuming public is supporting us in our efforts to maintain a degree of prosperity throughout the agricultural areas of America.

It has been suggested that I have brought into being some sort of vicious coalition between labor and agriculture. A more ridiculous statement has never been made. I do not have to sponsor a coalition. My labor record in this Congress is just as good as it should be and just as good as it ought to be and just as good as I want it to be. I do not have to consult labor leaders to know what my views are about the minimum wage law. I have voted for every progressive labor law now on the books.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VURSELL. I wonder if the gentleman knows that when farm prices started down in 1948 and fell precipitously 13 points and down to 17 points—I wonder if the gentleman knows what position Mr. Reuther took at that time. For your information and for the information of the membership of this House, there was no sympathy and no cooperation which I could find expressed by Mr. Reuther when farm prices started down in 1948 because with strikes and threats of strikes and with the power of his organization when the farmers were in trouble and when prices were going down, they raised their wages in 4 years from 1948 to 1952, that is wages in the International Harvester Co. and other companies which were making things for farmers to buy, by 27½ percent with the result that in 1952 at the close of the Truman administration, it cost the farmers as compared with 1948, \$4,100,000,000 more to put in his crops and harvest them.

Mr. COOLEY. I do not know what his views were then, but I commend his present day views to my colleagues and I hope that the gentleman will just read his statement.

Mr. Reuther spoke not only with great sincerity when he presented his views to the members of our committee, but he spoke with great reason and logic, and in a most convincing fashion. He knows that the members of his great organization cannot prosper if agriculture is prostrate. He knows that the farmers of America are industry's best customers. He knows that farm income is essential to the welfare of all the people of America. He has studied the farm program and all phases of it. He has analyzed the price support program, and he has seen the facts and figures, and he knows the truth about its operations and its costs.

As one who has worked constantly and diligently in the cause of agriculture and in the building of a great national farm program, I take pride in the fact that

the program has operated so successfully and so well that it has the approval of the great labor leaders of America, and of the consuming public. It is with great regret that the leaders of the world's largest farm organization have not supported a single bill which your Committee on Agriculture has reported to this House since the beginning of 1949. They have rendered lip service to farmers, but they have offered no constructive program in behalf of those who till the soil. Just what would the industrial workers of America think of Mr. Reuther and Mr. Meany if they should advocate the repeal of the minimum wage law and the maximum hour law, and all the other laws which have been enacted in the interest and welfare of those who are now employed in industry? The price support program means the same thing to agriculture as the minimum wage law means to the laboring men of our country.

This is not the first time that I have been on the firing line. This is not the first time I have been vilified and denounced. I remember that when, in 1943 and 1944, I was fighting in an effort to establish a sane, sensible, and sound credit agency for small farmers, I was accused then of being dominated, controlled, and influenced by the then distinguished president of the American Farm Bureau Federation, Ed O'Neal. He and I were accused, vilified, and denounced. It was said that we were the tools and instrumentalities of big farmers, and that we were not interested in the welfare of small farmers. Actually, just the contrary was true. I was then, am now, and always have been, interested in the low-income farmers of America, and I am sure that everyone now knows that as a result of the investigation which I conducted in 1944, the Farmers Home Administration was activated, and since that time has served well the credit needs of small farmers. As a result of that investigation, which this House authorized, the Farm Security Administration, the Emergency Crop and Feed Loan Offices, the Regional Agricultural Credit Corporations, were all abolished because all three agencies were engaged in making loans on identical eligibility requirements. The Farmers' Home Administration is an agency of the Government in which all of us may take just pride.

Yes, Mr. Chairman, I want Members of Congress from the city consuming districts to support us in our efforts to protect the producers of basic commodities. I want the support of labor leaders, industrial workers, and all other persons interested in the general welfare of the people of America, to support not only this bill, but the entire farm program, to the end that it might be continued and strengthened in the years to come.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

(Mr. VAN ZANDT asked and was given permission to revise and extend his remarks.)

Mr. VAN ZANDT. Mr. Chairman, in my opinion the passage of H. R. 12 will be a backward step in our efforts to solve the problems of the American farmer.

During the 83d Congress when the flexible price-support program was approved I supported it with the understanding that while it may not be the answer to the farm problem it was worthy of a fair trial.

Since the flexible price-support program does not become operative until the 1955 crops come in it has not been tested and is therefore not responsible for the downward trend in farm prices that began in 1951 or in the last 2 years of the Truman administration when the rigid price support was in full bloom.

I think it should be kept in mind that the rigid farm price-support program was adopted as a wartime necessity to increase farm production during the period of national emergency. From the moment the rigid price-support program became effective the Government began to purchase billions of dollars of commodities until today it has \$6½ billion tied up in surplus crops that are stored in bulging Government warehouses with spoilage amounting to thousands of dollars daily. To pay the cost of storing this mountain of surplus commodities it is costing the American taxpayer \$700,000 every day.

Mr. Chairman, as I stated previously, I voted for the flexible farm price-support program because, like many other Members of Congress, I was sincere in trying to find a solution to our complex farm problem. I want to repeat again that the flexible price-support program has not yet begun to operate and therefore it should be given a fair trial.

The flexible farm price-support system has had the support of not only the Republican Party but likewise the Democratic Party. The records show that President Truman's 1948 message to Congress and the Democratic platform of that year had called for flexible price supports on a permanent basis.

On September 9, 1948, former Secretary of Agriculture Charles F. Brannan issued the following declaration of agricultural policy when he said:

I should like to point out that for almost 2 years Secretary ANDERSON tried to get the Congress to alleviate the difficulties in the troublesome potato situation. All that was required was a simple adjustment that would make the program flexible.

Secretary of Agriculture Brannan continued by saying:

Mr. ANDERSON, when he was Secretary of Agriculture, urged this in November 1946. He urged it again in January, in May, and in November 1947. He brought it up in February 1948. Again and again he asked Congress to make an adjustment—

Concluded Secretary of Agriculture Brannan.

It may be well to recall that former Secretary of Agriculture ANDERSON is Senator CLINTON P. ANDERSON from New Mexico who voted for the flexible price-support program during the 83d Congress and made no apologies for doing so.

Getting back to former Secretary of Agriculture Charles Brannan, let me quote from a speech he made June 9, 1948, when he said:

President Truman in his special message to Congress on May 14 asked for four kinds of action. One of the four recommendations



was for flexible farm price supports on a permanent basis.

In commenting on President Truman's recommendation of flexible farm price supports on a permanent basis Secretary of Agriculture Brannan continued by saying:

As you know our present price supports are quite rigid. This problem has been called to the attention of Congress repeatedly during the last 2 years. Also, the present price-support arrangements are quite temporary. If Congress extends the present arrangement for another year it only postpones the time of decision—

Asserted the then Secretary of Agriculture Charles Brannan.

Mr. Chairman, this evidence that I have presented is definite proof that both major political parties have advocated flexible farm price supports. In fact, every Secretary of Agriculture for the past 20 years has urged the adoption of a flexible price-support formula.

Since my election to Congress in 1938 I have watched very closely the agricultural problem in an effort to protect the farmers of my congressional district and of the State of Pennsylvania.

As the rigid price-support program became effective and Government warehouses began to bulge at the seams with surplus commodities my attention was called to the fact that the chief beneficiary of such a wasteful program has been about 2 million owners of large and highly mechanized farming units in the Middle and Far West.

On the other hand, some 3½ million small farmers have received no benefits whatsoever. And may I add at the same time the consumer-taxpayer has footed the bill for unneeded purchases and storage as well as in higher prices for the commodities being held off the markets.

Mr. Chairman, my farmers in the 20th District of Pennsylvania have never received 1 penny's worth of benefit from the mandatory 90 percent rigid price support program on 5 basic crops; namely, corn, wheat, cotton, peanuts and rice.

As a matter of fact, my farmers are among the 3½ million small farmers of the Nation that have received little or no benefit from the rigid price support formula.

Last year they urged me to vote for the flexible price support program and to abandon the rigid price supports that resulted in a mountain of surplus crops purchased with the taxpayers' money.

I am opposed to the passage of H. R. 12 because I find that the farmers of my congressional district oppose rigid price supports this year as they did last year.

Believe it or not, I have not received one letter from my congressional district asking me to support legislation that would restore the rigid price support formula.

In my efforts to develop the sentiment on the question of rigid or flexible price supports I contacted key farmers in my congressional district and in addition farm organizations who are active in Pennsylvania.

Let me read to you excerpts from the letters I have received.

Mr. Boyd A. Yarnell, of Bellefonte, Pa., has this to say:

Our organization was set up by people who were in favor with discontinuing all price supports—both rigid and flexible. Prior to forming our organization I spent 2 days spot checking the county and talked to many farmers about their beliefs on this particular subject. I found only one farmer who was in favor of Government controls or supports of any kind. All the others were not only willing but anxious to return to the law of supply and demand. If we must choose between the lesser of two evils it would seem feasible to at least give flexible supports a try as there seems a little sense to them. We have had rigid supports under a Democratic administration for long enough to know what a mess it has made. It would seem only right for the Republicans at least to try this program instead of abandoning it before giving it a trial.

In the referendum held on wheat acreages last fall the farmers in your district, Centre, Clearfield, and Blair Counties, voted 3 to 1 against controls. The figures are available in the ASC office in Harrisburg.

In my own opinion, the controls and supports benefit a small group of farmers who don't need any assistance to start with and which is paid for by many taxpayers who get no such Government assistance.

Mr. George L. Peters of Port Matilda, Pa., has this to say:

In regards to farm price supports, I would say that 75 percent of the farmers of Centre County are against rigid farm price supports. In fact 40 percent would be against any support of controls at all.

Of the 25 percent that favor rigid or high supports, I would say that half of them work in industry, and only farm part time. The majority of them work for all the hand-outs they can get; the others are Roosevelt New Dealers and expect support—the higher the better.

As you know the poultrymen are not asking for any supports, yet the supports on grain and feeds they buy is working a hardship on them as they are large buyers of grain.

Mr. Chairman, the Pennsylvania State Grange with a membership of over 30,000 farmers in Pennsylvania—5,601 of them living in my congressional district—has this to say:

The Pennsylvania State Grange is opposed to the rigid support programs which we have had in the past.

The rigid price support programs have fostered production for which there is no demand, thus creating tremendous surpluses now stored in Government warehouses. They have caused the loss of world markets for farm commodities, and any attempt to revise these rigid supports would be ridiculous. They have been given a trial and have brought no solution to the farm problem.

We do not feel that any one piece of legislation or any one program can solve the ills of agriculture, but rather that the problems of the industry must be worked out on a commodity by commodity basis. The Pennsylvania State Grange, in its last 2 annual sessions, has favored a 2-price system for such a crop as wheat, and we would appreciate your supporting legislation that would give the 2-price system a trial.

While agriculture appreciates labor's anxiety over our problems, at the same time we cannot help but feel that any alliance between labor and agriculture is not going to work to the advantage of agriculture.

We appreciate your seeking out our stand on this matter and hope you will see fit to support us.

In addition to membership in the Pennsylvania State Grange many of my farmers belong to the American Farm Bureau Federation which has the follow-

ing to say in a recent letter to me regarding farm price supports:

The American Farm Bureau Federation, representing over 1,600,000 farm families in the 48 States and Puerto Rico, has considered the subject of rigid versus flexible price supports quite thoroughly. Farmers belong to Farm Bureau in ever-increasing numbers, year by year, on a voluntary, dues-paying basis, without any kind of a compulsory check-off system. In fact, as of March 31, 1955, our membership was 74,102 higher than at the same period of any time in our history.

In 1947, this organization strongly urged that a flexible price-support program be instituted to take the place of rigid price supports which had been in effect during the war period. This has been our constant position up to the present time. For years farmers have known that the price mechanism must be allowed freedom to function in helping farmers to decide what to produce and in helping consumers to know what to buy.

Cotton and wheat farmers have been severely hurt by foreign countries taking over their markets. Cotton farmers have been hurt by synthetics, both at home and abroad, taking a large percentage of their markets. These losses have hit cotton and wheat farmers directly in the form of drastic acreage cuts. These cuts in the acreages devoted to cotton and wheat have injured other farmers by providing additional subsidized competition against the fruit and vegetable grower, the poultry, dairy, and livestock farmers, as well as other farmers.

Farmers are quite conscious of the fact that markets for their products, and free access to those markets, are essential to a prosperous agriculture. Farmers want to produce abundantly to raise their own standards of living. In return, they want full productivity on the part of industry and labor. They want to see laboring men prosper, as well as the whole community.

Farmers know that undue governmental interference with price which creates surpluses, destroys markets, wastes land, labor, and capital is not in the interest of the general welfare—the farmers and everyone else in the country.

Farmers do not want the prices of their commodities fixed by Government.

We understand that laboring men only want a minimum wage—not wage fixing. Flexible price supports are comparable to minimum wages. They leave room for the farmer to get higher free prices and the laboring man to get higher free wages. Rigid price supports are price fixing.

From the foregoing you can readily understand why the voting delegates to our last annual convention in New York City overwhelmingly voted for flexible price supports and against rigid supports.

Those labor leaders who endorse rigid, high price supports with attendant wasteful surpluses, Government interference in the right of farmers to produce, which lowers the standard of living of laborers as well as farmers, would be more helpful to their membership if they would line up with the overwhelming majority of the farmers who believe in producing what their workers want, at a fair price, based on the actions of free farmers and free laboring men.

Mr. Chairman, I want to repeat again that the sentiment against rigid farm price supports is overwhelming among the farm population of my congressional district.

Based on the letters I have received, the farmers in my congressional district feel that the flexible price-support program is entitled to a fair trial.

They are insistent that there be no return to the rigid price-support pro-



gram which failed miserably because it was only designed as a wartime policy and not intended as a peacetime program.

It is for the reasons cited that I oppose H. R. 12.

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KING].

(Mr. KING of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. KING of Pennsylvania. Mr. Chairman, we are here today involved in a retrial. It is a retrial of the system which, last year, we condemned and sentenced to modification.

The sentence was lighter than justified by the evidence produced against the system, but flexibility within a range of 82½ to 90 percent was, nevertheless, a definite change ordered last year by this House in line with its judgment that we should turn away from a socialist scheme of guaranties and regulations, gradually returning to a free-market system.

As we proceed with this retrial, I think it should be kept in mind that there is no such thing as a permanent half-free and half-slave market. Eventually we must return the industry of agriculture to its position as an important segment of our great free-enterprise system, or we must proceed to create a fixed system in which farm prices are set by Washington and all farmers regimented into tight crop monopolies such as we already have in tobacco production.

With respect to the tobacco program, it can be said that if any such program were ever attempted in the field of industrial production, all the principals would promptly land in jail as violators of both the antitrust laws and the constitutional provisions guaranteeing the freedom of enterprise. It has been fairly easy to perfect this system of state socialism with tobacco. Other crops are more difficult to control, but a continuation of rigid price supports will eventually bring State monopoly to wheat, corn, cotton, and the other basics.

When we finally get all of the basics covered with the production restrictions necessary to the success of the scheme, then the diversion of acres to the production of other crops will ruin the open market for these nonbasics, and ruin all the independent farmers who do not depend upon Government guaranties. Of course, in that case, our grand and glorious Government, imbued with the idea of guaranteeing the welfare of all, will have to greatly increase its list of basics or devise other schemes of rescuing these producers with money it has first taken away from the general taxpayer.

Now, when I mention the general taxpayers' interest in this measure, I would like to remind those who advocate Government rescue for every segment of our economy which happens to be in trouble: First, that the basis of all our wealth is production; second, that the Government has no money to pass out which it

has not previously taken away from the people; and third, that all taxes are paid solely by those who work and consume, regardless of the political scheme of collection.

You may know by now that I am aiming to give you some facts about the cost of the price-stabilization program, the principal part of which has been the rigid price support of basic products. We have heard a great deal about the low cost of this program from those who would fool you by reading figures from the books of the Commodity Credit Corporation. This is very deceiving, for CCC books ignore administrative costs and all of the movement of crops for which CCC has been reimbursed by other agencies.

Bernard Baruch once said, and I quote:

Every man has a right to his opinion, but no man has a right to be wrong in his facts.

Of course, figures do not lie, but figures can be used to misrepresent.

For many years the full costs of the price-stabilization program have not been easy to determine, but the present Secretary of Agriculture has been willing to let them be known. For this, he has been violently criticized for what is called an attempt to alienate from farmers the affections of city people. So far as I am concerned, I think it is time for the general taxpayer, and particularly city consumers, to realize that this is an expensive program.

#### OFFICIAL FIGURES

Since 1922, the cost of agricultural programs primarily for stabilization of prices and farm income has amounted to \$10,340,000,000 and this does not include any loss which is sure to be realized on the seven or eight billion dollars' worth of agricultural products now held in storage by the Government. This loss on present holdings is sure to be enormous, despite all the frantic efforts to move these surpluses through schemes of free distribution which will produce a credit on the CCC books and charges to other programs.

The realized cost of stabilization has been only \$3,469,000,000 after crediting the program with tax receipts on sugar amounting to \$1,216,000,000 and processing taxes amounting to \$900 million. The round figure of \$10 billion as a cost of this program is fully justified when you consider that this \$2 billion in tax receipts came from the pockets of the consumers.

This \$10 billion recorded as the cost of price and income stabilization programs certainly does not include all of the costs that have been incurred by the Federal Government as a direct result of such programs. An additional \$12 billion was incurred under Lend-Lease, UNRRA, Mutual Security, and other programs which obscured the shifting of billions of dollars of agricultural commodities out of CCC expenses and charged them to these other programs.

It is impossible to estimate the additional loss CCC would have sustained in buying and holding agricultural products if it had not been so easy to transfer

costs to foreign aid. Anybody acquainted with the facts who is interested in fairly evaluating the situation will recognize that the final costs recorded on CCC books are only a fraction of the amount that ultimately shows up in the public debt of the United States Treasury. This debt is standing against farmers as well as everybody else who works and consumes.

Now, I know that the proponents of price supports will say that we are today concerned only with the cost of the price support program by itself, even though price support, as written into this bill, is not the only method of income stabilization used. The scheme of price support, however, is today, after 12 years of trial, the most expensive scheme ever devised, and did, just during the past year, cost over a half billion dollars, without including other operations necessitated by the accumulation of surpluses and without including the sure loss on the enormous surpluses accumulated.

And I am sure that some of the proponents of the price-support scheme will want to defend the scheme as applied to their own pet commodity. You have heard here on the floor that the cotton program has made money because the books of CCC show receipts in excess of expenditures. However, when you add administrative costs of over \$2 billion, you will see that the cotton program has cost us \$1,581 million, even after crediting the account with \$247 million in processing taxes paid by consumers.

Wheat is the big sinner in piling up costs and surpluses in storage, but don't you believe that any of the basic commodities have been carried for nothing. The tobacco program is often cited as the ideal. This tight monopoly is the pride and joy of price supporters, and I will admit its costs has been light in comparison to the cost of other programs, but the tobacco program has cost \$97 million after crediting it with processing taxes of \$68½ million. The real cost to the people of the tobacco program has been \$165,500,000.

The overall farm subsidy program stacks up about like this: Either in the form of direct subsidies of production, or purchase programs buying and giving away agricultural products, more than \$30 billion has been taken away from the taxpayers and dumped into our agricultural production during the last 22 years.

What do we have to show for it today? Has the bargaining position of farmers in our overall economy been improved?

#### MAJORITY AND MINORITY REPORTS

To answer the questions, I refer you to the majority report. On page 7 of the majority report you see a listing of the so-called realities that confront us, as follows:

The average of farm prices is down 22 percent since February, 1951.

Farm operating costs remain near their record high.

Net farm income in 1954 was 28 percent below 1947 and 10 percent below 1953. Further declines are in prospect for 1955 and 1956.

Farm debt is increasing.



The value of agricultural assets has declined \$10,500 million since January 1, 1952.

Now, if these things be true after 12 straight years of the 90-percent support program, what is the matter with the program? What better factual proof would you want in support of the minority thesis that 90 percent supports just do not work for the long-time benefit of farmers.

On the next page, they say the reduction of price supports is destroying farmer confidence in the program and this might bring about farmer rejections of this machinery for production adjustments. I can readily agree that farmer confidence in the program is slipping, and rightfully so. But it cannot yet be due to the reduction of price supports because we have not yet tried reduction. Farmers are beginning to see that the whole theory of guaranteeing prices, with the Government as the principal buyer, is wrong and unworkable.

They say there are only two ways to adjust the production of our great agricultural plant. Their way is 90 percent rigid supports. The alternative is to let the prices fall so low that a sufficient number of farmers find their operation so unprofitable that production is reduced and supplies do not accumulate. This, they say, is the philosophy behind the flexible support mechanism.

In this, I think they are right, but I and thousands of other farmers believe that the alternative is better than rigid supports. If we are not ready to completely abandon the free-enterprise system, we must still rely for adjustment of supply and demand on the free competitive price system.

The majority report on page 10 features the appearance of Walter Reuther, CIO president, before our committee in support of guaranteed rigid prices for agriculture. In an excellent treatise on economics Mr. Reuther stressed what we all know, "that the welfare and destiny of farmers and wage earners are closely interrelated." That is true of all major segments of our society.

Yes, Mr. Reuther was appearing in support of this bill. But please note his answer to this question which I asked him, and I quote:

Mr. Reuther, you have presented an excellent thesis on economics with which I generally agree, a thesis which advocates the full use of efficiency. How, then, can you wholeheartedly endorse a program which piles up \$8 billion worth of surpluses in expensive storage and holds it off the market and away from the people?

Mr. Reuther's answer:

Well, obviously, I think I made it very clear that I do not want to create abundance and put it in storage houses. I want to create abundance and get it out to the people.

Now, I ask you, is that consistent with his endorsement of the price-support system?

At another place, Mr. Reuther said:

The CIO will not attempt to tell the farmers what kind of agricultural program they should have to protect their interests.

Supporters of this bill would have you believe that the Government enticed the growers into overproduction by patriotic appeal. They say, on page 12:

The large stores of food and fiber were created in response to Government appeals for ever-increasing production during World War II and on through the Korean conflict.

Now, I know a great many farmers, and I think that my judgment of their motives is as good as any. As a group, farmers are patriotic, but I know they are motivated in their business by the profit incentive just like every other businessman. They increased production during and after the war because they thought they could make money in so doing, and they did make money. On the average, they made big money in both operating profits and capital gains.

After the war markets were over, they knew that adjustments were due and inevitable. In the lines of agriculture where the Government was not guaranteeing a continuance of war prices, adjustments were made and made without disaster. But on the basics, where this Government continued to guarantee high prices, production went wild. They were responding normally, like any other free enterpriser, to the profit opportunity in the production of those things supported by the Government.

Now that we are in a mess, some farmers may cry for a continuance of the guarantees, but they know full well that it is not the proper function of Government in peacetime to distort the free-enterprise system by guaranteeing profits in production.

Now that our warehouses are bulging, some would argue that we should accept abundance as a blessing, but I can tell you that \$8 billion worth of over-abundance hanging over the free markets is no blessing to producers. And \$8 billion worth of abundance lying in expensive storage is no blessing to either taxpayers or consumers.

With unbounded sympathy for the farmers, the majority report points out that the factory employee with an hour's wage can buy twice as much bread as he could 25 years ago, and then they wonder about the wide marketing margins for farm products, pointing out that—

While the price of wheat declined 32 percent, the price of bread advanced 23 percent.

Well, I expect Mr. Reuther could explain to them why industrial wages will buy more today and why there is a bigger spread in price between production and consumption. Mr. Reuther's increase in industrial wages, applying to distribution all along the line, has a great deal to do with this. But Mr. Reuther did not make these gains for labor by creating abundance and oversupply of labor. He is smart enough to know that the inevitable law of supply and demand works in the field of labor as elsewhere in a free economy. Big gains in labor wages have been made during a period of expanding industrial production with labor always a little short, and even during the height of war production there was no relaxation of the 40-hour week or any other measures limiting workers' output.

But, you say, you do not believe in the economic philosophy of scarcity. Well, if you do not believe that a little scarcity is the best tonic for any ailing industry, then you do not understand the free-

enterprise system—the system which has exceeded all other known systems in the production of abundance.

On page 17 the majority explain why we need a farm program by saying:

Agriculture is the only major element of our total economy that has no device outside of the aid of Government to pattern its production to market needs. Agriculture must look to Government for some protection in markets where the producers have no voice in the prices of things they bring to sell.

This is the kind of thinking which has gotten us all into this agriculture mess. If they had said, that, for many years Government has not allowed agriculture to use any other device except dependency on the Government, they would have been correct, for Government promotion of agricultural production has kept agricultural markets badly distorted for many, many years.

The argument that the very nature of agricultural production makes the idea of a free market illogical is entirely false. Its nature is very similar to that of any other line of production. The uncontrollable and variable factors seem different, but agriculture has no monopoly on uncontrollable and variable factors, even though the production and marketing cycle of some crops may be longer than in some lines of industry. The basic management problem is the same. Most industrial schedules must be planned and provided for in advance by a length of time which exceeds the growth period of agricultural products. And industry has no arbitrary control over its selling prices. Competition in a free market is just as ruthless in the field of industry as it is in agriculture. In the field of automobile production, the one often cited as the example of easy management control, failures and bankruptcies over the history of the business have greatly exceeded the ratio of failures and bankruptcies in farming. When the free enterprise system fails to work equitably in general industry and general agriculture, we will have established either industrial monopolies or state socialism.

I am sure every Member of the House has been urged by the CIO to support this bill. The majority report makes much of the point that both the CIO and the AFL urge the restoration of rigid price supports. In reading statements of the labor leaders it is apparent that they have a real concern for the welfare of the farmer. Everyone has an honest interest in the welfare of the farmer. But does it not seem a little strange that the two big labor organizations favor this price support method of insuring the farmers' welfare, when the largest farm organization, composed of millions of farmers who are certainly interested in their own welfare, takes the stand that rigid price supports and Government purchases of surpluses are not the best way of insuring the general welfare?

Mr. Reuther comes before us with generalized support of rigid price supports but does not believe in piling \$8 million worth of surplus products up in Government storage. What then, Mr. Reuther, what is the alternative? There is no



alternative, since, if under this law we are going to guarantee 90 percent, the Government must proceed to buy and store.

The evil of the price support and acreage restriction method is becoming more apparent every day. The latest reports indicate that farmers are aiming at another big year of production, even bigger than last year.

And the headaches of overproduction seem sure to spread to other crops. With 40 million acres excluded from the production of basic crops, it is very apparent that the markets on nonquota crops are to be ruined by this forced diversion.

This is nothing short of murder for the independent farmers who have been producing crops without Government guaranties. Past history has shown that the producers of the nonquota crops have maintained reasonable adjustment of supply to demand so that prices have been on a level just as favorable as those for the basics. Now, however, with this forced diversion, their markets are sure to be depressed and the whole agricultural economy distorted. This merely illustrates the fact that Government management of our agricultural economy is bound to be bad management, with favoritism to some and injustice to others.

#### INJUSTICE TO TAXPAYERS

In considering the injustice to taxpayers and consumers, let me give you a few more figures which the proponents of this measure will never give you. These are some of the figures they criticize the Department for divulging, but I assure you that all of the people of the country have a right to know that the cost of storage, just for holding our enormous surpluses off the market during the calendar year 1954, amounted to \$350 million. Mark off just a few holidays during the year and you have just a round million dollars a day for every day of last year. It is estimated that this year's crop purchases will swell the total investment in surplus goods to \$9½ billion. So you can easily figure that next year the storage bill will exceed \$1,250,000 a day.

#### WHERE DOES THE MONEY GO?

There may be some room for argument as to how much the price support and Government purchase programs have cost the taxpayer and there may be some little inaccuracy in determining where the tax money supporting the programs goes. But I am sure that all of you, who are interested in schemes for redistributing the wealth of the country, will be interested in considering the statement of the Commodity Stabilization Service giving the State-by-State distribution of loans made on 1952 crops, together with the statement of the Internal Revenue Service showing the State-by-State payment of Federal taxes.

As you know, the State of New York pays the most—amounting to 18.6 percent of the total for the Nation. New York State pays 20 times the Federal taxes paid by Kansas. But Kansas gets 154 times as much of this loan money. New York pays 20 times as much Federal

tax as Iowa. But Iowa gets 100 times as much as New York State in the distribution of these loans. New York State pays 8 times the Federal taxes that North Carolina pays. But North Carolina gets 58 times as much of this loan money as does the State of New York.

Texas, with all of its oil millionaires, pays less than half as much Federal tax as is paid by Pennsylvania; but in the distribution of this Government bounty, Texas collects 75 times as much as Pennsylvania.

Minnesota pays just about half the Federal taxes paid by New Jersey, but, in price supports loans, gets over 90 times as much as New Jersey.

Mississippi has some ardent advocates of rigid supports, but you cannot blame them. Mississippi pays only one-fourteenth as much as Maryland in Federal taxes; but Mississippi takes 20 times as big a piece of this pie as Maryland.

North Carolina deserves second mention, for North Carolina pays less than a third of the taxes paid by Pennsylvania, but gets 75 times as much of this price support money.

I dislike to point out to you the special interests of the various geographical sections of the country in this bill, because already in this House there is entirely too much voting based on sectional interests, but if there ever comes a time when Congressmen should be aware of the interests of their own district in a piece of legislation, it is now, during the consideration of this bill.

Another example will emphasize the point. Delaware pays 12 times as much tax as North Dakota and 11 times the tax of South Dakota. Yet, in distributing that part of the tax money which supports the farm-price program, North Dakota gets almost 80 times as much as Delaware, and South Dakota gets almost 60 times as much as Delaware. This is redistribution of wealth on a grand scale.

#### INTEREST OF CONSUMER AND TAXPAYER

Farm legislation emerging from the Agriculture Committee has repeatedly provided for a farmer vote or so-called referendum to determine what the farmer wants from the Government. Such votes are touted as being ultra-Democratic. Supposedly, freedom is preserved by giving a producer a choice between two methods of getting the Government to guarantee his own profitable security.

The real fact is that there is nothing democratic about the whole scheme. Giving farmers a choice as to which way they can get the most from the Government is nothing but a socialistic subterfuge. Real democracy would provide that consumers and taxpayers vote, along with the farmers, on these propositions. Real democracy would demand that all affected persons of the country be permitted to vote on the issue.

But how are consumers and general taxpayers affected by Government subsidy and guaranties to food producers. I need not restate the details as to how the general taxpayer in 20 years has dumped about \$20 billion into the overall farm subsidy program. About half of this \$20 billion is attributable to price

supports and Government purchase programs. Do not you think that \$1 billion a year in taxation is full justification for the right of the taxpayer to vote on these farm propositions?

And how about the consumer? I know that consumers have shown very little interest in this farm program because they do not understand what has been happening to them. Only in the last year or so, when butter accumulations began to get in the news, have they begun to comprehend what the price-support and Government-purchase programs mean to their food costs.

What the price-support program has cost consumers at the retail stores is beyond calculation. Since a free market has been completely destroyed on the basic crops, no one can determine what a free market would have produced as a price level at retail. But anyone with the slightest understanding of economics can be assured that Government purchase for hoarding has created an artificial price at retail which has cost consumers billions.

Yet, city Congressmen have, in the past, given heavy support to this program, not realizing the significance of it. Several of them have arisen on the floor of this House and, in effect, said that, even though farm production in their districts is limited to window boxes, they still wanted to go along with the program of gifts and profit guaranties to farmers.

Now, however, with the excesses of the farm program glaringly evident, they are beginning to understand the interests of their constituents, for the very good reason that any working consumer can understand the consequences of the Government hoarding and withholding from the market 1 billion pounds of butter, cheese, and dried milk.

I have emphasized that the provisions of this bill are contrary to the principles of free enterprise. That should be self-evident. But nowadays an affirmation of faith in the free enterprise system brands one as a reactionary. So many people, lost in the maze of our big Government, believe a free market and the law of supply and demand are "something for the birds."

With many, the free play of price as an intelligent force in adjusting production to consumption has lost its significance, so they argue that it becomes necessary for the Government to fix prices and impose restrictions.

They say this is especially true in agriculture, so we must have this bill. Yet the proof is plain that agriculture is responsive to price. The price supported lines have responded with enormous surpluses. Other lines have adjusted and maintained a satisfactory balance.

Examples are numerous if you study the history of poultry, eggs, hogs, fruits and vegetables. Production in agriculture does respond to price. The free enterprise system will work if we give it a chance. But we shall lose the free enterprise system and all the liberties that go with it if we resort further to collective price fixing and political control of production and marketing.



Is there any wonder that the Communist Party, in their latest official pronouncement of policy, emphasized the importance of maintaining rigid price supports on farm products?

Now, mind you, I have no idea that any of the congressional supporters of this bill are even tinged with communism. But it is significant that the extension of rigid price supports fits perfectly into the Communist's openly declared purpose of socializing the American economy by first socializing the farm economy.

Their scheme of dragging down all people to a common economic level and masterminding both production and distribution from Washington embraces wholeheartedly the spirit of this bill. If the Communists had written it, the specified level of supports might be higher and the coverage broader, but, in basic principle, it would be no different. Free enterprise they hate, but subsidies they love, knowing full well that, out of subsidies will eventually come the dictatorial controls they seek.

During the last two sessions of Congress, we have been trying to devise schemes for the disposal—by gift or otherwise—of the enormous surpluses we have accumulated. Then we were dealing with consequences. Today we are dealing with the cause. Our decision on this bill will be a fateful indicator of which economic road we shall travel in the future.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I just want to ask the gentleman this question: As I understand the gentleman's statement, he not only is opposed to this bill, but he is opposed to the so-called Benson plan.

Mr. KING of Pennsylvania. I have stated here before that the flexible price system is less of an evil than the rigid price-support system only by a degree. The only logical price-support system would be one down at the disaster level, which I would estimate at 55 or 60 percent. It is the only way that will let the free market operate, and we have got to come back to a free-market operation, or we will continually be in trouble.

Mr. ABERNETHY. Well, the gentleman's position would be, then, that the entire price-support law should be repealed?

Mr. KING of Pennsylvania. Gradually it should be reduced to the disaster level.

Mr. ABERNETHY. What would be that level?

Mr. KING of Pennsylvania. Fifty-five or sixty percent. I just estimate it. It must be below the cost of production.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. As I understand the gentleman, he says that he thinks this is a socialistic program, but that he would be willing for the price-support level to be fixed at 55 to 60 percent. Do I understand that to mean that the gentleman is willing to be socialistic to the extent of about 55 percent?

Mr. KING of Pennsylvania. No, sir; it is not socialistic when it is below the point where it influences the free market.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, at the very outset I should like to emphasize again the critical condition of our farmers. In the March 25 issue of the U. S. News & World Report there was a most interesting article on this subject. The figures were presented stating that in 1946 farm income was \$20 billion, or 12 percent of the national income; in 1948 it was \$24 billion, or 11.6 percent of the national income; in 1951 it was \$23 billion, or 9.4 percent of the national income; whereas in 1954 farm income was down to \$20 billion, or 7.2 percent of the national income. I have read other figures which have indicated that the farm net income last year was about \$12 billion or 40 percent less than what the farmers received in their best year, 1947. There are today approximately 21 million people on American farms, and about 31 million more in rural areas who are closely tied to the farm. In 1953, before taxes, 57 percent of our total farm families, or 3.1 million farm families, were making less than \$3,000 annually. Eighty-two percent of our total farm families, or 4.5 million, were earning less than \$5,000 annually. Just this past year I have been told that 55,000 farm families in the South have been driven from their homes due to cotton acreage restriction, and that 130,000 families make less than \$900 per year.

Since 1945, the farmer's share of the consumer's dollar has shrunk from 54 cents on the dollar to 43 cents. The farmer is squeezed between costs and prices and constantly has to pay more for what he buys, and he gets less for what he sells. I do not believe that any one of us would deny that agriculture is America's No. 1 problem today.

The debate on H. R. 12 should not concern itself with a change in the philosophy of our agricultural legislation which has prevailed during the past 23 years. The chief arguments for discussion in this present legislation are whether or not we shall restore the support prices of the basic commodities to 90 percent of parity, and make mandatory the support price of milk, butterfat, and the products of such commodities at not less than 80 percent of parity. There are two points of view to be taken on this legislation. The one upheld by the Secretary of Agriculture and many Members of Congress holds that if we substituted a flexible price support program on these basic commodities we would be rid of our troublesome surplus of agricultural commodities and the farmer would be on the road to better times. The other viewpoint, and the one to which I hold, believes that the reasons for our troublesome surplus lie in the fact that acreage control was not enforced in recent years, and that the pleas for greater production during the war period have caused

a surplus in certain agricultural commodities. I believe that the better answer to the problem of this surplus is not in the flexible price supports of the basic commodities, but in stricter acreage control, more extensive use of the surplus to fight the cold war, and to feed Americans at home who are below the minimum dietary standards, continuing conservation programs to take care of the diverted acreage, continuing research on the part of our Agricultural Extension Service and other agencies, and better methods of marketing for the farmer—and above all by continuing to fight for the citizens of this country of low income to see that they get a square deal and are able to buy the necessities of life in ever-increasing abundance.

In supporting H. R. 12, I want to pinpoint the cost of our agricultural program because I know this is one aspect of this great problem that causes all of us concern. I want very emphatically, however, to say at the outset that when we view the cost of all of our farm programs in perspective to the accomplishments of these programs, and to the costs of other activities sponsored by our Government, that the surprise is that the cost has been so low. I sincerely believe that no other program in America has benefited the farmer and the consumer alike at so little cost as has the agricultural program over the past 21 years. Now, let us remember that in H. R. 12 we are talking about the price supports on the basic commodities and I state that the cost of these, and all price support programs of the Commodity Credit Corporation from October 1933 through December 1954, or a period \$1,828,864,407. During this period the cost on the basic commodities was \$300,109,993. During this period, until December 31, 1954, rice and tobacco had made money for the Commodity Credit Corporation. Now of the total loss of approximately \$1.8 billion, the biggest losses in this total figure were in the nonbasic commodities, such as Irish potatoes which cost \$478 million. The cost of the price support program has not been excessive.

Now I know when you add all the payments that have been made to agriculture for all of the variety of things that have included emergency assistance to Pakistan, payments under the agricultural conservation program, section 32 expenditures totaling \$1,745,000,000, and so forth, our total expenditures for agricultural programs for the fiscal years 1932-54 total \$8,469,200,000. I quote from page 106 of the Agriculture Information Bulletin No. 135, dated January 1955. Now if we take this total amount, which, mind you, reflects several times again the cost of the program submitted in H. R. 12, we find that a total of \$368.2 million a year has been spent for all these programs as we prorate this amount over the 23-year period. But even this sum is not out of proportion when we consider Federal expenditures that have been made for other aspects of our Government.

I know many Americans are worried about the cost of our farm program, and I want to take some time now to point out the costs of other programs of our



Government, and I want us first to take as an example the postal deficit. Listed below is the deficit for the past 10 fiscal years as sent to me by the Post Office Department. In 1946, \$148.1 million; 1947, \$274.8 million; 1948, \$343.9 million; 1949, \$591.5 million; 1950, \$589.5 million; 1951, \$551.5 million; 1952, \$727 million; 1953, \$618.8 million; 1954, \$399.1 million; 1955, \$313.5 million. It will be noted that the total deficit is \$4,357,700,000. In other words, in less than half of the time during which we have had our price support program, the Post Office Department has had a deficit of nearly two and one-half times of all the losses realized on the price support program for American agriculture through December 1954.

Let me repeat again that the loss on the price-support program for the basic crops for 21 years has been, according to the best information I can get, approximately \$300 million.

I read an interesting article the other day about this post-office deficit, and it indicated that one big publishing company, and I have reference to the Saturday Evening Post, because it does not pay the full cost for the mailing service on its magazines, receives a subsidy of approximately \$10 million a year. I have been told that, similarly, Life magazine receives a subsidy of \$9 million annually, the Reader's Digest \$4 million, and the Chicago Tribune approximately \$700,000. Now I realize that this is not the fault of the Post Office Department, but it is the fault of Congress in that we do not raise the postal rates to reduce this deficit. And I want to emphasize the fact that there is no farmer in America who receives a subsidy of \$10 million a year from the price-support program. Now I know we have some problems with our price-support program because of the huge farms. In his appearance before our committee, Secretary Benson estimated that about 90 percent of our production in agriculture today comes from approximately 50 percent of our farmers, whereas only about 10 percent comes from the other 50 percent of our farmers. I would like to see our farm program strengthened so that more and more we can fight for better opportunities for the little farmer, the so-called family-sized farmer. Since 1935 the number of farms of 1,000 or more acres has increased 37 percent. These farms now contain a total of 494 million acres, or 42.6 percent of all United States farm lands. But I want to stress again that I do not know of any farmer in America who has been granted in any year any sum of \$10 million for price supports on the basic commodities. And I want to emphasize the fact that so far as I know, there has not been recommended to us any effective program to solve better this problem of the little farmer. So I cannot see that a vote against H. R. 12 would be a vote for the little farmer. Rather it would be, in my opinion, to take away from him the main prop that he has in giving him a reasonable return for certain of his agricultural commodities.

Let us take another example. In a recent discussion we had on the floor of

the House, it was mentioned that our subsidy to the merchant marine in America amounted to approximately \$100 million a year. Now, I am not complaining about the justice of that subsidy. My figures may be slightly in error, but if you will project that amount of \$100 million over a period of 21 years, you would get a figure of \$2,100 million, or \$300 million more than the cost of the support program for the basic commodities from 1933 through June 1954.

Or, let us look at some other aspects of big business and see the types of subsidies which have been granted to them. Now, mind you, I am not arguing the justice or the injustice of these facts. I am merely pointing out the cost of our farm program in perspective to other great programs of the Federal Government. I am told that \$7,300 million was granted to business in accelerated depreciation tax benefits during World War II. Now, tax-amortization certificates in the amount of \$29,502 million have been granted to business since 1950, and in that figure we include only the first 3 months of 1954. It is my understanding that of this amount, \$17,700 million, or 60 percent, may be written off for income-tax purposes in 60 months. The remainder of the cost not certified for defense purposes can be written off concurrently at normal depreciation.

Compare these figures again, now, with the approximately \$1.8 billion over a period of 21 years that price supports on the basic and nonbasic commodities have cost us. Yet so many of the newspapers of the country would have us believe that the farmer is ruining America because of the huge subsidies which he receives. Some of these newspapers gave very little space to the loophole in the 1954 tax law which if it had not been corrected with bipartisan support, would have cost at varying estimates, from \$1 billion to \$3 billion a year. Under this tax loophole, we read in the daily press, that the Capital Transit Co. here in Washington, would have been freed from paying any 1954 Federal income tax, and Capital Transit Co. further would have been able to take double deductions on such items as employees paid vacations. It would have deducted 1954 vacations, and also 1955 vacations, which were based on work performed in 1954. Now, I am not trying to fix the blame for this oversight, but I am just pointing out that in 1 year's time this loophole, which did not receive too much press attention, could have cost more than the entire price-support program during its complete history.

Or, let us see how Government helps business in other areas. We were told last year when we discussed the atomic energy bill, that the Federal Government has spent approximately \$12 billions on research of the atom. Now much of this research was for military purposes, but it all made possible the development of the atom for peacetime uses, and I, for one, am glad that the development of the atom now is in the hands of private initiative and enterprise as far as its peacetime uses are concerned. I anticipate a day not far hence when our public utilities will use the

atom to furnish electricity to the Nation. No one, I believe, regrets that part of the \$12 billion research which will be directly beneficial to big business, but if we complain about the help which the farmer has been given, I think it nothing but logical to ask, "What is un-American and wrong about the parity payments we have guaranteed to the farmers under certain conditions in order that he might furnish the food and fiber to the Nation?"

Let us take a look at the stock market for a moment and I think we should all be calm as we talk about the problems of the stock market, but I think it perfectly proper that we have a calm discussion about this great American institution. I have been told that the values of stocks have increased by approximately \$50 billion during the past 2 years. I do not know what factors have caused this tremendous increase, and even though I look with modesty upon my knowledge about the stock market, after reading the testimony of the many witnesses who have appeared before the Senate committee which recently investigated the stock market, I almost feel inclined to say I am about as much an authority as any of them. I will tell you this very emphatically, though, Mr. Chairman, that I am much more worried about the tremendous advances of our stocks during the past couple of years, than I am over the money we are spending on agriculture. And I know further that the real wealth of this Nation is in our natural resources, and in the character of our people. I think the money we have invested in our soil will, through the years, reap much greater dividends for the welfare of this country of ours, and thus indirectly increase the prices of our stocks. I know, also, that the farmer has had spent on all of his programs during the past 23 years just a little more than the value of the stocks reported to have fallen during 1 week of our recent Senate investigation.

From 1937 through 1951 reclamation expenditures have totaled \$1,899 million, or more than the cost of all the price-support programs from October 1933 through June 1954. In fact, the Senate has authorized just one reclamation project, which many believe will cost more than the \$1,800 million spent for 21 years on our price-support programs.

We are talking now about a great highway program to cost \$101 billion, with the Federal Government assuming a \$25 billion share. Compare this figure with the \$1.8 billion spent on all the price-support programs from October 1933 through December 1954.

What has been the cost of our price-support program in comparison to the aid we have given to foreign governments? If we include the cost of World War II, I have read figures which would indicate \$112 billion was the extent of this aid. I have heard it said that we have spent probably \$40 billion of that \$112 billion since the end of World War II. Let us compare that amount now with the \$1.8 billion that the price-support program has cost us until December



1954—let us compare the cost of the price-support program with the \$2.8 billion in new funds which were appropriated for mutual security purposes for the last fiscal year, plus an additional \$2.5 billion of unobligated funds which has been authorized for use in our current mutual security programs. I voted for some foreign aid because I believed it was for the preservation of our free world. I recognize, also, that some of this money has gone to American farmers, but a small percentage of it only. I can never justify aid of any kind to any portion of the world which is aid to a greater extent than the aid we give to our own people. I cannot as a Member of Congress ever vote for the foreign aid program and not vote to give the American farmer 90 percent of parity for his basic crops.

In the past 10 years, public assistance grants to States amounted to \$12,502,-863,000. Unemployment compensation grants to States under the administration of the Bureau of Employment Security during the past 10 years has cost \$2,116 million. Surely these expenditures are justified. No one would deny these sums to the millions of Americans that they have aided. Likewise, I feel that every thoughtful American will realize that the \$1.8 billion paid out in the price-support program up until December 1954 for American agriculture has been justified.

We have been told many times, and rightfully we should, that our Government is a big business. I approve of these great activities of the Government in the fields of lending, guarantees, and insurance. The extent of Government operations in these fields is indicated by the fact that the total loans, guarantees, and insurance in contingent liabilities amount to \$244 billion as of June 30, 1954. Now to be perfectly fair, a small percentage of this is concerned with aids to agriculture. But mind you, now, only a very small percentage. Let me repeat again that our Government is liable to the extent of \$244 billion as a banker and underwriter with 38 different agencies, and employing 40,000 people. If we ever had a depression in this country and our people could not pay their home loans, and if we would have to pay out tremendous sums for the insurance on our bank deposits—who can accurately foretell the cost? But just because our Government has guaranteed the investment of her citizens to the extent of \$244 billion does no mean, I think, in the minds of the most pessimistic that the Federal Government will lose this huge sum of money. And yet those who foretell disaster in the disposition of our surplus commodities, and who are fearful that the \$8.5 billion worth of commodities that we have will represent a total loss to the Government, might do well to reflect just how small in comparison that investment really is with other investments that our great Government has. I am not a prophet of doom, and I feel that the Government is sound in embarking on the various ventures in the fields of insurance and housing, but I also believe it is sound for our Government to try to give our farmers a square deal at the market place.

I want to approach this problem of the cost of our price-support program, and especially the cost of the basic commodities, in another manner. You do not hear very much now about the price of coffee. And yet, I do not think any of us have found that the retail price in the market place is as low as it was last year when the prices had their astronomical rise. You will recall that investigations suggested that the increased cost of the coffee was due to some irregularities in the sugar and coffee exchange, and due also to a scarcity scare. Now, the truth of the matter is that we had more coffee last year than ever before. But it was the scare or the worry of a short supply in the minds of many people that caused the retail price of coffee to soar. I wonder what would have happened this past year in the face of the drought conditions that we had over a great part of this Republic if we had not had in stock considerable quantities of the basic commodities. I believe we lost from three-fourths of a billion to \$1½ billion in increased coffee prices in this country over a period of a year, or nearly as much as the price-support program of all the commodities cost us in 21 years. If you think that estimate is too high, remember you paid not only more for the coffee in the market place, but you paid twice as much in many restaurants for a cup of coffee. Project, if you will, that same thought if we faced a shortage of wheat, or corn, or cotton, or tobacco, and found ourselves at the mercy of what we might call a scarcity scare. I do not believe enough emphasis has been given to this very important factor of our whole agricultural program. A year's supply, or even a 2 years' supply of basic commodities, even if the American people faced a loss of a great percentage of these commodities, might in the final analysis save us money because we would not be subjected to soaring prices at the market place based on a fear of shortages.

I do not believe that our present farm program is perfect, but I do not believe the mere reduction of the price supports on the basic commodities will help solve any of our problems—and it is in this point of view that I differ with those who oppose H. R. 12. I believe not to adopt H. R. 12 will mean only one sure thing, and that is a further decrease in the income of the farmer which, mind you, has gone from a net income of \$13.6 billion in 1952 to \$12 billion in 1954. I know that this loss in the purchasing power of the farmer will reflect itself in all business areas in the whole United States. I know, further, that there is a vast movement away from the farm that bodes no good for the future of America. Since 1930, the farm population has shrunk by over 8 million, while the overall population of the Nation has gained by 41 million. Over the last 10 years an average of 77,000 families has made the exodus from farm to city each year. The most conservative estimates indicate that our city labor force has thus been increased by approximately 115,000 workers every year. Now, mind you this, also, that whenever the workers leave the farm, our little towns shrink and disappear. I think we can assume at

least 30,000 or 40,000 more workers each year join the 115,000 from the farm to go into the city to seek employment. What are our labor groups going to do with these additional citizens? Factory employment in January 1955 was 1½ million below that of January 1953. In 1955 the factories of this Nation were employing 400,000 less people than they employed in January 1954. And yet at the same time production had increased by some 8 percent. All of our labor leaders are naturally worried about automation, which each year causes thousands and thousands of our laborers to lose jobs.

A farmer does not have to draw unemployment compensation if we can keep him on the farm. Let me stress again, I have had no program suggested to me that would serve better to keep the small farmer on his farm than the splendid programs which have been developed during the past 20 years. Included in that program, of course, is the matter of a parity payment fair to both farmer and consumer. H. R. 12 certainly advocates that principle. I still cling to the Jeffersonian ideal of democracy where the ownership of land is considered an essential on the part of our people. I feel now that if America is to survive, it must have millions of its people on our farms making a comfortable living from the soil—living those lives of independence and sturdy determination which has always been the bulwark of our Nation. I feel that H. R. 12 will be a trend in the right direction; if nothing more it will help restore to the little farmer some measure of confidence in his future that has been lacking. Let us not tear down that program which we have, but rather, let us strengthen it for the better. I realize that our agricultural programs must be resilient, changes must be made, but until I can find a better change for the farmer, I am not willing to abandon the principles set down in H. R. 12. Above all, I do not believe that the cost of our price-support program on our basic commodities has been prohibitive, and I believe in comparison to other great programs of this Government of ours, the cost has been very modest. I hope the Congress will pass H. R. 12 by an overwhelming majority.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina.

Mr. COOLEY. The figure of \$368 million which the gentleman used, included such expenditures as the school-lunch program?

Mr. MATTHEWS. That is right.

Mr. COOLEY. And the program of export subsidies, and of gifts of food to rehabilitate the shattered economies of other countries.

Mr. MATTHEWS. Absolutely. And since 1932, section 32 expenditures have been about \$1,800,000,000.

Mr. COOLEY. That is right.

Mr. MATTHEWS. I am glad the gentleman pinpointed the fact that the cost of these price-support programs, the mandatory programs that we are discussing in H. R. 12 has been just \$300 million on the basic crops up until December 1954.



Mr. COOLEY. Yes; that is right.

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Chairman, I want to take this time to review our case of the farmer—to quote our distinguished chairman, “There is nothing new to discuss”—unquote. So I will review our position.

During the war years there was a very great need for greater production of food and fiber to feed the war machine. Farmers were guaranteed a profit price on their total production. However, the prices in most instances on the basic commodities were higher than the guaranteed price support. We were furnishing the sinews of war in materials and money to a great many of the foreign countries and they were in turn spending a portion of this money back with us for our farm products.

With the end of hostilities we began to reduce our giving of money in the foreign countries and thus our exports also began to reduce in the same proportion.

As was provided in our law, when our production exceeded our consumption—both domestic and foreign—we should decrease the support price on the basic commodities. It was thought to be a good plan to pay the higher support price for all-out production and thus build up our surpluses. At least it was thought to be a good political-vote-getting plan. Production controls have always been a part of the law but no one wanted to tell the farmer we no longer needed his production and were not going to pay him so much as we had heretofore for his commodities. Oh no, that is not the way to win friends and influence people. The farmers' vote was the difference between success and failure. The result: Due to our fear of trying to bring supply and demand into balance we have continued a wartime practice which has created \$8 billion worth of surplus with no market to turn to and with storage costs approximating \$1 million every day. The total cost of the program is somewhere between 21 million, the figure used by the proponents of this present legislation, and 10 billion, the figure used by the opponents. It seems that statistics are always used to favor the statisticians. Anyway it is approached, the cost seems to be enormous. The grain-storage facilities alone have been approximately \$3 billion.

Assuming that the cost has not been too high, and that our surpluses are not too burdensome, but that another dollar spent for surpluses would be too much, and that we must pursue some other course of action—What will it be? My opponents say to continue the same medicine that brought about our trouble and we of the opposition say that if we are to continue the same medicine it had better be given in smaller dosages.

We who favor the flexible plan feel that the farmer can more readily return to his normal operation as a free citizen to operate his farm without the mandatory supervision of the Government. The proponents of this legislation feel that the farmer is to, from this day

hence, be a subject of Government, and look to Government for universal direction of his farm operation, and that the only method to pursue is that of a complete control of the farmers' land with a fixed price of those commodities which are supported by Government. This in olden days was known as a straitjacket and I for one do not believe the farmer with his modern methods of operation is going to fit well in this straitjacket.

I am not the expert farmer that our distinguished chairman is—he has been in Congress and on the agriculture committee some 20-odd years, and I know he has been a champion of the farmer all of these years, and he had alined himself with other good farmers who have the interest of the farmer at heart. Just within the past few weeks our chairman brought before our committee one of his farm friends by the name of Walter Reuther who seemed to be very free in giving his advice to our committee on the problems of the farm industry. I take it from the very complimentary remarks that were offered by our distinguished chairman that his friend is an expert in the farm field. And since our chairman is an expert and can probably get some of the answers from his well-informed friend Walter Reuther, I would like to ask both of them some of the questions that have been bothering me in trying to solve this farm problem. Too, since the chairman is a cotton farmer, I will start by asking some questions about the cotton situation.

First. Does cutting down from 26 to 18 million acres mean an abundance?

Does it increase jobs for the laboring man making cotton-production machinery? Cotton gins? Cotton mills? Cotton - cloth - manufacturing machinery? Dress and clothing workers? Does less cotton being shipped help the cotton-shipping workers? Railroad employees?

We have had millions of bales of synthetics substituted for cotton. Is this in the interest of the United States cotton growers?

Foreign countries prior to World War II exported only 40 percent of the cotton. The United States 60 percent. Under 90-percent price supports foreign countries have taken our markets. Now they supply 70 to 72 percent, and we are only supplying 28 to 30 percent. Does this help the cotton farmers? Does it help the laboring people?

President Roosevelt favored a flexible price-support program. Henry Wallace did while he was Secretary of Agriculture. So did Claude Wickard. So did CLINTON ANDERSON. So did Harry Truman, while he was in office and when he was elected in 1948. Were they against farmers?

Second. Wheat: Does shifting the right to produce wheat from the areas of the country best adapted to produce wheat because of soil and climate to areas less well adapted help farmers? Does it help consumers? Does it help the general welfare? Does it contribute to real or imagined abundance. Bakers want high-gluten wheat. Does it help to have price supports force less production of high-gluten wheat? Does

this help farmers? Does this help laborers?

While farmers were being forced to cut down acreage devoted to wheat in this country from 77 million acres to 55 million acres other nations increased wheat acreage 73 million acres. How does this help the American wheat farmer? How does this help the American laborer? Is this the road to a higher living standard?

Third. Income: Farmers' net income in 1947 was 16½ billion. Seven years later, after 7 years of 90-percent rigid-price supports, net income was down to 12½ billion. How did this help farmers? How did this help the working men?

Fourth. Diverted acres: Acres taken out of wheat and cotton have been shifted to other production. This provides subsidized competition for other farmers. How does this help the dairy farmer? The poultry farmer? The vegetable grower? The beef producer?

Fifth. Controls: Government controls are forcing farmers to pay penalties. They are keeping farmers who do not have enough land to make a decent living from using their land as they think best. How can this help small farmers? How does this help workers?

Sixth. Taxes: CCC is a funnel through which thousands of millions of dollars have been pumped into agriculture. The cost is well over 6 thousand millions on the basics alone. How does this help the taxpayers? The total on all crops is over \$10 billion before taxes are deducted. This does not include \$4 billion paid to farmers during the war to maintain price ceilings. This does not include \$7 billions used to dispose surpluses through UNRRA, Mutual Security, ECA, and similar disposal programs since 1949. How did these \$21 billion help the general taxpayers? The productivity of the American agricultural plant throughout the 48 States is much greater than markets at high artificial prices. Surpluses are piled up in Government warehouses. We can't give it away because other countries feel like it is unfair to their own producers. Markets have been destroyed. Production overbalances consumption. How does this help farmers? Laboring men?

Seventh. Surpluses: Canada, Australia, friends of ours, are deathly afraid we will dump our wheat surpluses on the world market and ruin their wheat producers. Perhaps the Foreign Affairs Committee would like to give us the answer? Egypt, Pakistan, Brazil and other cotton producing countries are afraid we will dump our cotton and undermine their economics. How does this help farmers? Laboring men? Foreign relations? The general welfare? The Russian Government favors rigid high price supports here in America. Their conspirators here in America through the Communist Party favor rigid high price supports. How does this help American farmers?

I would like to read from their own booklet entitled “The American Way to Jobs, Peace, Equal Rights and Democracy, Program of the Communist Party.” On page 17 appears this statement:

An antidepression program requires government protection of homeowners, small



farmers and small business from mortgage foreclosures and bankruptcy. It requires a government guaranty of 100 percent price parity and crop insurance for small and middle-sized farmers.

How does this help American laboring men?

When these questions are honestly and clearly answered, I can explain to my farmers why this program is good for them.

Right now, they do not think it is working out too well.

The flexible price support program is now the law of the land and goes into operation on the 1955 crop. It has not had a chance to prove its worth. After weighing the arguments I ask you to give the flexible plan a chance to operate and prove or disprove its worth and vote down the rigid price support program now before us.

I would like for you to take into consideration the facts I have just given and vote against this high rigid price-support bill, H. R. 12.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that our exports of farm products decreased because we are no longer giving that stuff to foreign countries or foreign governments for nothing, and consequently the export market on those basic commodities went down?

Mr. HARRISON of Nebraska. That is exactly true. I am glad my colleague pointed that out.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, since the chairman of the Committee on Agriculture was absent from the chamber when the gentleman from Nebraska directed his many interrogations, I would like to answer just a few of those to show the unsound ground on which the gentleman has approached this whole problem.

To start with, he presumed and indicated that Mr. Reuther had come before our committee as a farm expert. Of course, anyone who was present, and the gentleman from Nebraska was there, knows that Mr. Reuther said he was not a farm expert. The chairman of the committee indicated that he invited Mr. Reuther to appear before the committee as a representative of the consumers. I think that he did make an excellent statement in that capacity.

The gentleman from Nebraska also asked if a cut in production of cotton, for instance, would result in more money being in the envelopes of the workers who make textiles and other things. The gentleman realizes, of course, that we do have a plentiful supply, which is one of the reasons we have this program and why the farmers have agreed to cut down their production in order that we might not have this surplus. As Mr. Reuther said, one of the problems in industry is overproduction and the factories are in a position where they can control or regulate their production, not

only of steel but all of the things, into which steel goes.

In connection with this under or over-production, whichever you want to call it, one statement Mr. Reuther made is to me quite a very important one. He said: "You see, this is where we get in trouble. Take the General Motors Corporation. General Motors in 1954 made, because of the tax laws passed last year, 35 percent more profit after taxation with less production." In other words, your corporations are getting into less production when they find that production is not needed.

The thing that needs to be emphasized is this. A farmer cannot control his production once the seed has been planted, or the animal has been bred. While he is willing to accept acreage controls and marketing quotas, and thus, in effect, pay for the supports which are made available through a price support program, in order to insure adequate production of the food and fiber so necessary for all of the people of this world, quite often at harvest time he finds himself with surpluses, which if thrown on the open market, without a guaranteed price, would bring about economic ruin.

Industrial production on the other hand can be controlled to any figure; it can be speeded up or slowed down to meet the basic law of supply and demand.

The farmer is also willing to comply with this basic law, and in the case of the basic commodities, which can be stored, reduction in acreage can act to meet this need for controlled production from season to season.

The question is a simple one. Shall we support the farmer at 90 percent of parity—or at the 100 percent of parity as was suggested by candidate Eisenhower—or shall we permit this support price to decline to 75 percent, a figure so far below production cost that no farmer can long survive?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, we have before us a bill dealing with problems relating to the American farmer. It may be said that producers of cotton, wheat, peanuts, rice, corn, and dairy products are particularly concerned with this legislation, for we are dealing with legislation which will—if it becomes law—bring into being a change in mandatory price-support levels on the commodities which they produce.

But there are others, too, who are deeply interested in this matter, including producers of other farm commodities, consumers, processors, and, in fact, everybody in general, for economic factors relating to the farm are closely interwoven into the fabric of our whole economy.

Let me say at the outset that declining farm income is a problem deserving our closest attention. Precipitous price declines, beginning in 1951 and continuing more gradually through 1953 and 1954, have dropped our national farm income 25 percent below that of 1947; and there has been no accompanying de-

cline in farm costs. This has created an imbalance between agriculture and the remaining portion of our presently strong national economy.

Let me further state that both the proponents and opponents of this legislation are equally interested in a strong agricultural economy, and that upon the shoulders of neither group rests the mantles of complete wisdom or devoted interest in the problems and wellbeing of the American farmer. Those who favor this legislation and those opposed to it are equally interested in a prosperous agriculture.

The issue today before the House resolves itself rather simply into a choice between two areas of thought: One, that the interest of the farmer and consumer can best be served by the assurance of a fixed price in relation to parity and a controlled agricultural production; and the other, that these interests will best be served if such price mechanisms as are administered by Government permit a degree of adjustments.

We have had considerable experience with price stabilizing efforts. Some, seemingly, have been helpful, while others have proven quite harmful. Out of these experiences, we must draw our conclusions in making our decision today.

May I make the observation that in considering our efforts of the thirties—those designed to attain some stability in agriculture, to establish an economic agricultural base, to permit gradual recovery in the late thirties, and to promote rapid expansion and high level income in the forties—may I point out that much success associated with these efforts may well have grown more out of the use of credit than out of the vehicle of price supports of that day. Refinancing of indebtedness, providing for operating capital, and adjusting debt repayment and loans of various types may well have provided the time ingredient so essential to solving the problems of those hectic days.

History shows us that time favored recovery on the farm during those depressed days, because—with the advent of World War II—the farmer was faced with the gigantic chore of feeding the world. Then, as we moved along through the war and into the area of an uncertain peace, our farm legislation was revised to meet these changed conditions.

American agriculture is not static; instead, it is a dynamic segment of American life—and therefore we are constantly striving to wholesomely relate agriculture to the rest of our economy. And it would be well, perhaps, for us to recognize that—because of the sensitive nature of economics—our final objective of complete farm stability may never be fully accomplished. But we must work at it.

Today we stand, or—to use a more accurate figure of speech—we are milling around a fork in the road. Either route we take is for the time being, substantially academic. Both of these routes require that agricultural production be controlled until supply factors are brought into reasonable balance with demand. Unless we succeed in develop-



ing broader market outlets, both domestic and foreign, both of these routes will require constant adjustments to create favorable commodity prices and farm income.

Already those supporting one or the other of these routes have assisted in developing legislation to ease the severity of adjustment inherent in the course they have chosen. This is evidenced by acreage adjustments on the one hand and the set-aside provisions on the other.

I am opposed to this bill because it is my conviction that the best interests of agriculture can better be served by price stabilization legislation that permits of some flexibility.

Producers of cotton, wheat, and rice are only recently experiencing the full effects of the acreage cuts inherent in a program of supports at 90 percent of parity. These adjustments are severe. And those acres which are removed from production and, of necessity, put into production of other commodities create a serious problem for other producers who have less to protect them in the price field. There is no doubting that farm income can be cut just as seriously by acreage reductions as by price adjustments.

This bill provides for an increased level of support for dairy products—from 75 to 80 percent of parity. It is my considered opinion that the dairy industry—through its own aggressive efforts and wise use of Government assistance—is striking a reasonable balance economically. Let us not upset what appears to be a workable and equitable situation in the dairy industry.

Milk for the school-lunch program and the brucellosis-eradication program are worthy of consideration. They should, to my way of thinking, be untangled from price support legislation and receive separate and special attention.

I am opposed to H. R. 12.

Mr. COOLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, a few minutes ago the gentleman from Nebraska [Mr. HARRISON] read from a party platform. I do not know that I recall the exact wording, but it was substantially that "we favor paying full parity on all farm products to the small and middle-sized farmers." Was that not substantially what they proposed?

Mr. HARRISON of Nebraska. That was the platform of the Communist Party.

Mr. POAGE. That is right. Let me read you this:

We favor a farm program aimed at full parity prices on all farm products in the market place.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. Is that the Communist platform?

Mr. POAGE. Oh no; no, no. That is the Republican platform, the platform of the last Republican convention. That is what I am reading. It is almost word for word the same as the Communist

platform which the gentleman quoted, but that was the Republican platform that I read to you.

Mr. HARRISON of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. POAGE. No, I only have 15 minutes, I cannot yield at this time. I have read you the Republican platform. You do not deny it? That is the one you were elected on. That is your platform. That is what you told the people you were in favor of. And this afternoon you come before this House and try to insinuate that those of us who want to do what your platform says we should do are in league with the Communists.

I deeply regret that any Member of this House should come in here and try to show a connection between the Communist Party on the one hand and those of us on the other hand who try to support the same basic principle that both of the great parties of America announced in the last presidential campaign. So much for this unwarranted insinuation.

I want to discuss some of the other things that have heretofore been mentioned. There was some discussion here earlier today to the effect that we had not given these flexible programs a fair chance to be tried; that the program had been adopted last year and that we had not tried it, so we ought to put it into effect.

I remember some years ago down in my country there was a man who got the idea that his place was being eaten up by mice and that the thing to do to get rid of them was to use some snakes. There was a reptile institute down in San Antonio and he ordered some chicken snakes from this reptile institute. Somehow or other they got the order all mixed up and they sent him a couple of rattlesnakes. Do you think he ought to have given those rattlesnakes a chance to be tried as mousers? He never did. He killed them. He killed them just as quickly as he could get at them because he knew what rattlesnakes would do to him. He did not know whether they were good mousers or not. Maybe rattlesnakes are the best mice eradicators in the world. I do not know and neither did my friend who bought them, because he killed them.

I do not want to pass judgment on this flexible program in all of its details, but I know what it has done to my people, because in spite of the erroneous statement that has been made, we have given this flexible program a trial. We tried it for 23 long years on most farm commodities. There have been but 6 commodities on which we have had firm 90-percent supports. And on those 6 as of February 28, 1953, according to Mr. Benson's own published statement, we had a loss of \$326 million, every dollar of which has developed since the present Secretary took office. According to his own statement, the total loss during that same 23 years, the total losses of the same nature, was \$3,800,000,000 of which only \$300 million was chargeable to the 6 basic commodities that were supported at 90 percent of parity. That means that there was 11

times as much loss on those commodities that were under the flexible program than we suffered on the commodities that were supported on the firm, 90 percent basis. So do not tell me that we have not tried the flexible program. We have tried it and it has darned near killed us. And I am not going to keep it around the place in the hope it may eradicate mice. I am going to get rid of it, if I can, just as that old man killed the rattlesnake because I know what it will do to me. I know what it has done to my people.

I believe it was the distinguished and learned whip of the minority party who got up here and made some sort of statement to the effect that farmers have taken such terrible drops in their prices under the 90-percent program. Let us see what losses we have taken and under what program we took them. Let us remember that we did not have the 90-percent program in effect on most agricultural products.

Let us look at the three groups:

We supported wheat under the 90-percent program; did we not? And in 1952 wheat brought \$2.07 a bushel. Two years later wheat brought \$2.08 a bushel, up 1 cent, or a gain of about half of 1 percent.

Cotton in 1952 was supported at 90 percent and brought 37 cents and in 1954 it was down to \$0.3467, a loss of 2.5 cents, or about 7 percent.

Corn was supported at 90 percent. In 1952 it was \$1.53. It dropped to \$1.45 2 years later, or about 6 percent.

Let us see what happened under the flexible program which some of our friends think has not been tried. Most of our commodities were under the sliding or flexible program, and that is where we took a real whipping.

Milk was under the flexible or sliding scale. Milk in 1952 brought \$4.14 and in 1954 it brought \$3.24, or a drop of 90 cents, about 25 percent.

Grain sorghums were on a sliding scale. They dropped from \$2.87 to \$2.14, down 73 cents, or roughly 22 percent.

Soybeans were sliding. They dropped from \$2.71 to \$2.54, or 17 cents a bushel during that time. That is what happened under your flexible program.

Under no supports what happened? We did not have any supports underneath cattle and they dropped from \$21.40 to \$14.60, or around a 27-percent drop, in spite of the beef-purchase program.

Eggs did not have any supports during that period of time and they dropped from 50.3 cents to 32.4 cents, a decline of 17 cents, or something like 32 percent.

Potatoes did not have any support during that period either, and they dropped from \$2.10 in 1952 to 93 cents in 1954, a drop of possibly 55 percent during that period of time.

Yet the gentlemen would have this House believe that the 90-percent supports did not do anybody any good. I submit there was not 1 of the commodities under the 90 percent that dropped as much as 10 percent, and yet the flexible commodities fared nearly as badly as those with no support.



Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman did not mention the fact that, during the last 14 months since the beginning of this psychological warfare for lower price supports on the part of the Secretary of Agriculture and the serious consideration of flexible price supports, the total value of hog production in America decreased on an annual basis by \$1,700,000,000.

Mr. POAGE. That is right; another flexible support.

Mr. H. CARL ANDERSEN. I firmly believe that the continuous urging of the Secretary for lower supports upon our basics has reacted against perishables created from these basics.

Mr. POAGE. Where you lacked 90 percent firm support under your prices we have suffered some disastrous drops. But I submit that we have not had that kind of disastrous drop where you maintained 90 percent firm support. You cannot have it and you will not have it. We can peddle that flexible price support medicine, but we have had all we want of it, and we do not want any more of it.

These gentleman have suggested that if you will take this flexible price support you can get rid of production controls. That was the intimation that was given in every speech the Secretary of Agriculture made. He has now said it in plain words, because when he came before our committee and we asked him in so many words he said, "Yes, I will have to have exactly the same controls for 75 percent of parity that I have to have for 90." He was honest when we pinned him down on it.

He left the intimation that he was going to do something about controls, but no Secretary of Agriculture in the history of America has ever laid as heavy a yoke on the neck of the American farmer as the present Secretary has in enforcing production controls under his present flexible program.

Nor will this program in anywise reduce the great surpluses about which some of the distinguished proponents of this bill have come here and moaned at this bench. It will not have a thing in the world to do with surpluses at least until it has starved a lot of farmers off the farm because these 6 basic commodities are produced in large measure only in areas that are suited only to the growing of those crops. That is why we selected them as basic. Wheat is absolutely basic to Eastern Colorado and you cannot grow tobacco or asparagus no matter how much you would want to. Tobacco is basic to eastern North Carolina and you cannot grow grain sorghums or rice no matter how much you want to and make a living on it. Peanuts are basic to the sandy land of the South. There is no substitute cash crop in the areas where they are grown. Each of these commodities is basic in the area in which it is grown. The farmer cannot change his crops and that is the reason he has not changed. The only way he has of getting a larger amount of money to feed his children is to grow more of the basic commodity, and the Secretary

of Agriculture admitted frankly to us that if you took off all controls and supported the price at 75 percent of parity, you would have just as much grown as you would have at 90 percent of parity, and everybody who has followed farm statistics knows that that is the truth.

So you are not going to change anything about either controls or about your surpluses by passing this bill. All you are going to touch is the income of the farmers. That is the only thing you are going to affect. Do not let anybody tell you that those who come in now and who are proposing this flexible program have something new and unheard of. They have the same program that we have been using for 23 years except they propose to give the farmers less. The only difference is one of price, not of principle; but that difference in price may well mean the difference in success and bankruptcy to the farmer. I understood we established this program in order to establish buying power on the farms and yet some of the opponents of this bill can't tell you right now whether they want to leave the farmer 82½ percent of a fair price, or whether they are going to vote with Mr. Benson to cut farm buying power down to 75 percent. They haven't yet had the word from the gentleman from Indiana [Mr. HALLECK].

I doubt that even the gentleman from Nebraska who preceded me can at this stage tell us whether he is now in favor of his own compromise. Maybe he is coming in now to pull the rug all the way out from under the farmer. Last year he came in and said, "Oh, that would be terrible. You should not go the whole length. Give the farmer 82.5 percent of a fair price for 1 year. Let us just split the difference, boys." And, of course, there were enough who were looking for some excuse to vote against this bill who did split the difference. You may not have that chance now. No, unless you can hear from Mr. Halleck you do not have that chance. You are voting now either for 75 percent which means disaster for the farmers and everybody knows it, or you are voting for 90 percent.

This Congress has never been able to go through with 75 percent for farm prices. There has never been a time in our history when we let the average of farm prices drop as low as 75 percent of parity, that the whole Nation did not suffer a grievous disaster. You had better think about it.

Let us see if you people are going to put this matter squarely before us and actually have a clear cut test of 90 percent or 75 percent. I want to see just what you will do tomorrow. I want to see the nerve of those people who say that they are in favor of cutting the support for farmers. How far are you going to go with it? Are you going to dare to bring about another depression such as we had in the twenties?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. The gentleman from Pennsylvania openly and boldly advocated lowering prices to a disastrous level.

Mr. POAGE. Right. I want to tip my hat to the gentleman from Pennsylvania [Mr. KING] because he has always come in and fairly and frankly said that he was just opposed to doing anything and that he did not believe in doing anything for the farmers. He says he just did not believe in doing it and by the eternal, he was not going to do it. Let us see if the rest of the opponents of this bill are as frank as the gentleman from Pennsylvania [Mr. KING]. If you will take a stand, I will admire your spirit even if I do not agree with your judgment. Either it is good or it is bad. You are not going to eliminate surpluses by voting against this bill. You are not going to reduce controls. What you are doing is reducing the buying power of the farmers and that is all you are going to do if you beat this bill. It is going to affect everybody in this country and not simply the farmers. It is going to affect all of us because the farmer is the man who puts the money into circulation which buys the products of industry and it is the farmer who produces the wealth which enables us to step our economy up higher and higher every year. It is the farmer who produces the new wealth that the rest of us simply work upon. We take what the farmer has produced. We change it. We make it more valuable. We transport it. We make it more usable, but we never change the fact that the farmer is the man who brings all the new wealth into this country. Do not destroy that farmer's buying power if you want prosperity for yourself and for your people.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has expired.

Mr. HOPE. Mr. Chairman, I yield 14 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, it is my understanding that the provisions of H. R. 12, which would set up a multiple or three-price plan for wheat, will be eliminated from the bill through committee amendment offered by the chairman of the Committee on Agriculture. Suffice it to say that I could not, under any circumstances, support the bill with such a provision in it. The dumping of cheap wheat in our corn and grain area would prove demoralizing, to say the least. The effect of such dumping operations would mean lower prices for our corn and feed grains, which naturally would be reflected in lower prices for hogs and cattle. No corn or other feed grain producers can complain if wheat producers wish to compete for feed grain markets on an equal basis, but when the wheat producers are guaranteed a profitable price in a protected market for half their production they are not competing on equal terms in the feed grain market—they are being subsidized by consumers of wheat as food, so that they can sell wheat for feed cheaper. This is unfair and discriminatory competition, and I therefore am glad that the wheat section will be out of the bill.



I am one of those who firmly believes that agriculture is the Nation's basic industry and that the prosperity of our entire economy depends upon the prosperity of the American farmer. Farm income has dropped 18 percent in 4 years and is still on a downward trend. In a recent farm cost report the Department of Agriculture noted a 4-percent decline in the farm parity ratio from the last quarter of 1953 to the last quarter of 1954. It said "almost all" of the decline was due to lower prices farmers received for their crops. The cost of living and of production items the farmer had to buy meanwhile rose about 1 percent during the same period. Farm income may go down another 4 percent this year, judging from all the information I can accumulate on the subject. Strange to say, the farmer is the only individual in our entire economy whose income is going down while the income of every other segment of our economy is going up. In this connection I want to call your attention to the last report of the Joint Committee on the Economic Report No. 60 of the 1st session of the 84th Congress, dated March 14, 1955. On page 32 of that report you will find the following:

The basic purpose of agricultural supports is the protection of farm income.

The committee also reiterates a part of the committee statement on agricultural policy of a year ago, as follows:

With the prospects of an agricultural industry growing less rapidly than the remainder of the economy, the Nation may well grow up to the levels of its present production in the not-to-distant future. Instead of a program of contraction it would seem desirable, therefore, that present policy should be directed to solving surplus problems in the years immediately ahead, scrupulously avoiding all policies which might lead to curtailment of our agricultural productive capacity. On neither a humanistic nor economic basis does it seem wise to limit production or feel unduly concerned over surpluses until all possibilities for expanded markets and increased consumption have been exhausted. We recommend an aggressive policy for discovering added domestic and foreign markets for these surpluses and for future production so far as possible through the discovery of new uses, industrial or otherwise. The nonmarket disposition of surpluses to institutions for the needy, school lunches, and foreign relief should be stepped up.

The farmer is rather unique in our economy. He has nothing to say about the cost of the things he has to buy. Someone else sets the price for his plow, tractor, or combine. Someone else fixes the wages he is required to pay his hired help, such wages usually being fixed by competition with high wages in the city. Someone else fixes the farmer's taxes, determines the amount of his insurance, and his costs of transportation. Someone else tells him what he has to pay for his feeder cattle and other livestock which is not raised on the farm. In short, the farmer usually pays whatever the seller demands.

On the other side of the picture the farmer has very little, if anything, to say about the price of the things he has to sell. When he takes his cattle to the livestock market at Sioux City or Chicago, he takes what the buyers offer him.

If he does not like the price his alternative is to take the cattle back to the farm. Usually he thinks twice before doing this. He takes his cattle to market when they are fat and ready to sell. Keeping them for any length of time thereafter simply is not good business. So it goes when the farmer hauls his grain to the country elevator. Upon delivery he takes what the elevator operator offers him. If he does not like the price he has the privilege of taking the grain back to the farm. The point I want to emphasize is that almost everyone except the farmer himself determines the price of the things he buys and the things he has to sell.

Keeping in mind that the farmer is really in a cost-price squeeze, please remember that he is the same fellow who is being called upon to provide the food and fiber not only for the people of the United States but for many other areas of the world. I have yet to hear anyone advocate that we here in America should reduce our standard of living. We all like to eat "high on the hog." Today the American farmer is feeding 160 million people in the United States alone. It is estimated that at our present rate of growth we will have approximately 175 million people in the United States by the year 1960. We have a hungry world on our hands and from all the information I can gather, the world's population is increasing more rapidly than the world's food supply. This fact should cause us to stop, look, and listen when we discuss the problem of farm surpluses. The growing world population means that if people are to be fed the farmer must produce more agricultural products rather than less in the years that lie ahead. With few exceptions we have already reached the saturation point as far as new farm land is concerned, so if we are to expand production to meet an expanded population we will have to increase the productivity of the land we now have.

We hear much discussion these days about farm surpluses and I frankly admit they do present an aggravating problem in many instances. By and large, however, I would rather have an economy of abundance than an economy of scarcity, world conditions being what they are today. A new war, a poor growing season or a drought might well wipe out the surpluses we have almost overnight. We do not want a burdensome carryover to depress the market but, at the same time, we must have a reserve of farm products adequate enough to meet any emergency which may arise. This truth makes it doubly important that we work out a program of balanced farm production which is realistic in every sense of the word. A program of balanced farm production can only be carried out successfully if the farmer has some assurance of a stable income. If the farmer is to produce the food necessary for world needs and our growing population, he certainly is entitled to some protection for his capital investment and the additional outlay of money needed to meet production goals.

Incidentally, in discussing farm surpluses do not forget that the farmer

himself is not to blame for the surplus problem today. The surpluses accumulated because the Federal Government throughout the war years called upon the farmer to produce and to produce. I also want to point out that during the last administration when the Federal Government in the light of growing surpluses could have restricted production under laws now on the statute books, it completely failed and refused to do so.

Throughout the past several years both political parties have endorsed price-support programs for American agriculture. Farm legislation in the Congress has quite generally been enacted on a nonpartisan basis. In fact, the Committee on Agriculture of the House of Representatives knows no party lines. It is our objective to legislate for the welfare of the American farmer and our economy in general. We want to do what is right and fair and just without any political considerations whatsoever. Agricultural leaders in this country today are agreed that farm price supports should continue. The only differences arise on the question of methods and programs. Everybody knows that the most extensive programs to stabilize agricultural prices have been in the field of price support through government loans and purchases. Success has been rather satisfactory in the field of the basic commodities. However, our experience with some of the perishable products has caused us a great deal of embarrassment and trouble as well as a lot of money. We want to avoid the mistakes of the past if we can. The basic ideas behind our price-support programs has been the adjustment of production and marketing to the demands of consumers. Some contend there should be no control over the production and marketing of farm products. On the other hand, farmers themselves have not objected too seriously to the imposition of controls when necessary. In discussing controls on production we are prone to forget that compulsory controls cannot be put into force and effect until the question of marketing quotas, for instance, has been submitted to a referendum on the part of the farmers themselves. It should be specifically pointed out that such controls do not go into effect unless two-thirds or more of those voting approve the program. I am quite sure the American farmer would much rather get along without any controls but he well knows that if disastrous price drops are to be avoided he must hold production somewhere in line with demand.

We have been very much remiss in our public relations as between farmers and consumers. In all due respect to the consumers of the country they do not always fully understand farm legislation. They have the impression that the farmer is responsible for the high cost of food and no one is doing very much to dispel that idea. It is my firm conviction that we who are most interested in the farmer's problems can do a much better job of public relations in bringing the facts and the truth to the consuming public.

I would like to point out that food is the biggest bargain of the year 1955.



Fewer hours of work buy more food now and better food than ever before. The world should know and certainly the consumer should be advised that out of each dollar the consumer receives as his income only 26 cents is used for food. The other 74 cents can be used for other things. Of the \$1 the consumer spends for food farmers get only 45 cents. Thus less than 12 percent of consumer income reaches the farmer.

If farmers gave away their wheat the price of bread would only fall less than 3 cents a loaf. Not only do consumers now get more food for an hour's wage but they get more convenience, wider selections and better quality. The consumer has a wide selection of farm products. He can buy breasts of chicken or he can buy only chicken legs or livers. He can select his vegetables and meats wrapped in individual transparent packages. He can buy his milk in paper cartons with no bottles to return. Few farmers, however, get any of the money that these extra services cost.

Only a part of the food sold over the grocery counter comes from supported farm crops. Much publicity is given to farm subsidies. Some people like to magnify the situation and take great delight in giving misleading information to the country about the cost of our farm programs. Farmers are by no means the only group who have received Federal support at taxpayers' expense. Let us not forget the subsidies to business, the railroads, the airlines, the shipping industry and the subsidy granted to labor by providing a minimum wage. It has been widely publicized that the farm programs cost the Nation over \$16 billion. When the figure is broken down it is disclosed that this sum includes the cost of all work of the Department of Agriculture, including research, education, REA, credit and everything else. Expenditures for support of basic farm products are entirely a different matter as already has been pointed out.

Consumers can depend on it that their jobs will disappear if farm returns for foodstuffs fall to non-profit levels. Agriculture's purchasing power creates high employment as sure as general prosperity helps agricultural sales. Farmers today produce so abundantly that 85 percent of our population can choose other kinds of jobs. If farmers were not so efficient, a lot more people would have to go to work on the farm. This is an efficiency that since before the war has increased farm output by only 40 percent, doing the job with 17 percent less labor. There should be a better understanding between the farmer and the consumer. In the last analysis we are all farmers because we are all so dependent upon the fruits of the soil.

In some respects, the question of farm-price supports on basic agricultural commodities has become more or less of a moot question. It is contended, for instance, that those of us from the corn producing area have nothing to worry about in that the parity on corn is about 87 percent of parity at the present time and may even reach 90 percent. So they say the controversy between the advocates of those who favor a 90-percent

support level and those who favor a flexible support level of from 82½ percent to 90 percent, or from 75 percent to 90 percent, are arguing about something which in the last analysis becomes only a matter of small degree. The thing, however, with which we should be concerned is that when the present law providing for an 82½ percent level expires at the end of this year, we will once more be confronted with a 75 to 90 percent provision under the basic law. What the situation will be under such formula for the crop year 1956, or thereafter, especially during a period of further decline in farm prices, is anyone's guess.

No one seriously contends that flexible price supports will alleviate our surplus problem. The most the Secretary of Agriculture has said on this subject is that he thinks the flexible plan will help, but he in no wise contends that it will be a solution of our surplus problem. Neither does anyone seriously contend that rigid controls will not have to be imposed simply because a flexible plan is in force and effect. On the other hand, all agree that our problem is really one of faulty distribution and marketing methods, and we are all agreed that we should dispose of our surplus agricultural commodities as rapidly as possible.

Perhaps, therefore, there is not very much difference between those who support the 90-percent formula and those who contend that the flexible plan is the solution of our farm problem. I dare say agriculture will survive regardless of which plan ultimately remains the basic law of this country. The concern I have is that the flexible scale will eventually result in less income to the American farmer, and I think this is a thing we all want to avoid.

It is my impression that whenever a farmer's income is reduced or whenever he is limited in acreage for the production of his crops, he will augment his income by trying to produce more crops on less acres. This he will do through the use of fertilizer and through more intensive cultivation of the acres left in production. No man is going to sit idly by and see his income reduced if there is anything in the world he can do to avoid it.

To say the least, the question of price supports for basic agricultural commodities is usually a hot subject. The so-called farm problem has been with us for a long time. This legislation will not solve it. The rank and file of our farmers are divided on the subject. The leading farm organizations themselves do not agree. In view of all this uncertainty I do not see how anyone can be a party to further reducing the farmer's income during a period of already declining farm prices.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, I do not believe there is a Member of the House of Representatives both from the viewpoint of the district he represents and from the soundness of his line of reasoning better prepared than the gentleman from Iowa [Mr.

HOEVEN] to discuss this particular question.

Mr. HOEVEN. I want to thank the gentleman for his kind remarks.

Mr. POAGE. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Idaho [Mrs. Frost].

(Mrs. FOST asked and was given permission to revise and extend her remarks.)

Mrs. FOST. Mr. Chairman, the greatest threat to our national economy today is the agricultural depression. Times are already hard for the American farmer. They are going to get a lot harder if we do not pass H. R. 12, the bill before us to stabilize price supports on basic commodities. We cannot afford to settle for less than 90 percent of parity, and we must not allow the further depression of milk supports for another year.

The economic plight of the farmers in this country may not be worrying the millionaire leaders in the Republican administration, but, believe me, it is worrying some of the rest of us.

The farmers are being forced to grow less, and at the same time they are being paid less for the crops they do grow. But the cost of things they must buy stays high. That sequence spells financial trouble.

The facts are that farm income is down 28 percent since 1947. Almost a third of that drop has occurred during the past year.

Under the policies of this administration, the farmer's share of our national income is at the lowest point in history.

The farmer's purchasing power is the lowest it has been in 15 years. His per capita income is less than half of other citizens.

Farm mortgage debt is increasing.

Farm foreclosures and forced sales are up 40 percent.

The value of farm assets has dropped \$10½ billion in a little over 3 years.

Tens of thousands of beginning farmers and underfinanced farmers are at or beyond the point of insolvency and could not liquidate out if required to do so.

In short, the economic plight of the farmer recalls the twenties when the slump in agriculture was the forerunner of the great slump which engulfed us all.

#### THE SLUMP IN IDAHO

In Idaho, the farm slump pushed farm income down \$55 million, or 15 percent, from 1952 through 1954. Production costs declined only about 2 percent during this period.

Since it is estimated there are more than 40,000 farms in Idaho, this means a decline in receipts of over \$1,300 for each Idaho farm.

That is a heavy loss in a small State. Our dairy farmers have been particularly hard hit.

I have just received some revealing figures from Mr. C. M. Carlson, manager of the Dairymen's Co-op Creamery of Boise Valley, at Caldwell, Idaho. This creamery is located in my own home county—Canyon County.

Mr. Carlson reports that the cut in price-support levels on dairy products from 90 to 75 percent in fiscal 1954, re-



sulted in a drop in income to this creamery's milk producers of a little under a million dollars.

And this is only one creamery—only one creamery in one county.

Mr. Carlson estimates that in the two counties embraced in the Boise Valley—Canyon and Ada Counties—the combined loss to dairy farmers on milk production was a little under \$2 million. The loss to dairy farmers in the State of Idaho during this period is an estimated \$5¾ million.

It is further estimated that since the drop in dairy price supports went into effect, the value of the cow population in Canyon and Ada Counties has declined about \$4½ million, and the value of dairy cows in the whole State of Idaho has been reduced almost \$20 million.

And let me remind you that what is happening to the dairy industry in Idaho is happening all over the Nation. I do not think we can afford it.

#### THE WHEAT AND COTTON STORY

The House Agriculture Committee tells me that in 1953, the Nation's wheat farmers received over \$2 billion for their crop. Under the farm law enacted by the last Congress, which cut their price support from 90 to 82½ percent of parity, and because of curtailment of acreage to reduce wheat surpluses, it is estimated they will receive only about a billion and a half for their 1955 crop. In other words, the wheat farmer will lose about a half billion dollars this year.

The committee further informs me that the country's cotton farmers received over \$3 billion for their 1953 crop. Assuming normal yields on their reduced acres this year, they will receive only about \$1¾ billion. This means if the sliding scale and new parity bill is allowed to go into effect, the cotton farmer faces a slash of over 40 percent in his income.

#### LOWER SUPPORTS MEAN LOWER INCOME

Mr. Chairman, opponents of fixed 90 percent price supports point out that the decline in farm income has developed under the fixed-price support program. This is true. The flexible price support program voted by the last Congress has not yet gone into effect.

However, I cannot see the logic of supplanting a high, fixed price-support program with a lower, flexible price-support program. To me it is inescapable that lower price supports would mean lower farm income. The farmer is already in enough trouble—why make it worse?

Leaders of labor organizations recognized the interrelationship of employment and unemployment to the prosperity of agriculture in an historic appearance before the House Agriculture Committee when this bill was under consideration. They know that a depression in agriculture directly and quickly affects other industrial activities, because farmers are tremendous consumers of industrial products.

A recent Public Affairs Institute study shows, for example, that farmers use 16.6 percent of all petroleum products, more than any other industry. Farmers use 9 percent of steel, more than the automobile industry. They use over 12

percent of chemicals. They use 20 percent more rubber products each year than is required to put five tires on every new car manufactured.

Bankrupt the farmers of America and you bankrupt the whole American economy.

#### HIGH SUPPORTS COST LITTLE

It should be clear to all of us, whether we represent a rural or an urban district, that Congress must heed the plight of agriculture. Consumers, businessmen, labor are all affected by the farm decline. Reinstating 90 percent supports will not be a great expense. Twenty years of farm price supports cost the Nation only \$1 billion, and the bulk of these funds were lost on nonbasics.

The farmers have reduced their acreage of basic crops. They are—by their own choice and vote—adjusting production to peacetime size. They will balance supplies with need at their own loss. There should be comparatively little ultimate loss in the handling of surpluses during the adjustment period.

#### DAIRY SUPPORTS

The dairy provision in this bill prevents the Secretary of Agriculture from making any further reduction in dairy price supports. As you all know, about a year ago, Secretary Benson lowered the support of dairy products from 90 to 75 percent of parity—theoretically the lowest he could go. He also lowered the parity base, and as a result the 75 percent of old parity for manufacturing milk became 80 percent of the new parity on a dollars-and-cents basis—and that is the figure which is in effect today.

Because of changing the parity base, the Secretary still has the authority to lower the figure another 5 percent. Passage of this bill would prevent him from doing so.

In my opinion, dairy supports should go to 90 percent of parity. But certainly a Secretary of Agriculture who regards the present agricultural situation as "good" should not have the authority to reduce supports lower than they are right now.

#### SCHOOL-LUNCH PROGRAM

I am particularly pleased that this bill authorizes an increase from \$50 to \$75 million in the appropriation authorization for school milk.

The school-lunch, school-milk program is an outstanding example of the right approach to our so-called farm surpluses: their use to improve human health and welfare, rather than non-production or waste.

There is no real food surplus in this Nation, nor in the world today. With proper distribution, all the food and fiber man can produce is needed or can be used.

What this Congress should be doing is to find ways to get to the people of America, and around the world, proper foods for good nutrition. We should be considering a domestic food allotment bill, and other measures which will adjust the distributive machinery in this Nation, and around the world, so we can banish want.

Certainly our farmers should not be penalized—and hundreds of thousands

of them ruined financially—simply because we are readjusting from defense to peacetime production, or because we have failed to move as swiftly as we should to establish the "freedom from want" held out as a goal in the World War II period.

In all equity to the farm producers of the Nation, price supports should be restored to the 90-percent level. Beyond equity to the farmer, we must face the fact that our total national economy cannot long be sustained at its present level if a large segment of that economy continues to face hard, and still harder times.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, the House is again considering legislation which is designed to protect the producers and consumers of this Nation of food and fiber. This is not a new question nor is the decision reached with respect to this piece of legislation—H. R. 12—likely to mark the end of the problem.

Within the past 2 years it has been my endeavor to review the history of agricultural legislation extending over more than a 30-year period. During that period a few basic conclusions seem to have been accepted by about all segments of our economy. They are as follows:

First. Agricultural prosperity is fundamental to the national prosperity;

Second. Agricultural resources must be maintained to insure future well being;

Third. Voluntary or cooperative efforts by farmers are insufficient to gear production efforts to consumer demand;

Fourth. A survival system within agriculture is impractical when other segments of the economy are sustained either directly or indirectly by legal devices.

Fifth. Any effort to maintain farm income must take into consideration market demand and fair prices as well as regular supply to consumers;

Sixth. Programs for price support must be acceptable to farmers and any restriction placed upon production or marketing, be sustained by referendum of the producers of each specific commodity;

Seventh. For certain commodities, an export market is important, not only to the producers of the specific commodity, but also as a part of our international trade pattern; and

Eighth. In considering individual farm price-support programs as well as the whole program, the way should be left open for technological improvements to expand farm markets and increase farm income.

It took many years of debate and trial and error to prove that a voluntary or cooperative system of controls would not work; our predecessors in the Congress in the 1920's reached this conclusion but were opposed by the President and Secretary of Agriculture successfully. The Secretary of Agriculture, Mr.



Jardine aided by the then Secretary of Commerce, Mr. Hoover, were fundamentally opposed to any effort to regulate the production of agricultural products by legal device.

In their opposition, however, let it be said that they were encouraged by influential farmers who were reluctant to accept controls over their production. Many doubted whether it could be done. It took a devastating depression with all its impact upon the social and even constitutional makeup of our country to cause an about-face on the issue. Today there seems to be general agreement that we should have a program, but there remains differences of opinion as to how it should be implemented.

Mr. HOPE, former chairman of the House Committee on Agriculture, has often said that the farm problem is not a single one, but a total of many in which the various divisions may have even conflicting interests. It is likewise true that it is difficult to devise one treatment which will apply equally well to all divisions. Yet it is impractical, if not impossible to legislate for each individual commodity.

World War II and the Korean conflict created artificial demands for both wheat and cotton, two of the basic commodities of the Nation. The producers of both wheat and cotton are dependent primarily upon their income from the sale of these products or in other words, they are in a one-crop economy.

In both cases, the advent of modern power equipment, better variety and fertility availability and high price incentive stimulated the production. This lasted long enough that the pattern became established, indeed great sections had their farms and equipment capitalized on the basis of the abnormal production and price pattern.

Two other crops, rice and peanuts, which are basic to their area of production, became important too, and were included in the list of so-called basic crops. Of these two, rice also depends for a portion of its market upon export demand. But of all six basic crops—wheat, cotton, corn, rice, tobacco, and peanuts—the big problem has come to be one of fats and oils. This does not apply to wheat, rice, or tobacco, however; these crops except wheat have not become problem crops yet. But cottonseed oil, peanut oil, and a nonbasic but highly important crop, soybeans—soybean oil—are in competition with one another and all are in competition with both corn oil and livestock fats or oils, which are the result of converting corn into a more marketable form. The livestock fats and oils—lard, tallow, butter—also compete with one another as well as vegetable oils and, to a great extent, represent the troublesome phase of the surplus problem.

As if this were not complicated enough, we have witnessed the impact upon the standard foods and fibers of chemically produced synthetics which are giving the consumers a wider choice and the farmer headaches.

So, we come to the question posed in the legislation before us and, when acted upon, will determine whether we will try to support the various basic farm com-

modities at 90 percent or allow a range of support at from 75 to 90 percent in 1956 and thereafter. There is sharp division among farmers, among Members of Congress, and consumers, too, as to which will be best in the long run. While I would not question the sincerity of any Member's conviction on this issue, it seems to me that we ought to approach the problem without prejudices or temper.

#### CORN'S PLACE IN AGRICULTURE

Corn is the most valuable, in terms of dollar value at least, of all crops produced in the United States.

Corn is technically a basic crop and a real basic crop as well. It is the foundation of our livestock industry. While about 80 percent of corn is fed, on the farm or area where it is produced, to livestock, the remaining 20 percent becomes a factor in the processing and industrial phases of our economy.

The on-the-farm value of our annual corn crop is approximately \$5 billion.

There are several factors which should be given consideration in determining a long-range price-support program for corn. The following are some of them:

Corn is unique among our farm crops, at least our major ones in this respect.

Very little corn is imported and a very small percentage is exported so that it is not dependent upon an uncertain and varying demand abroad for its use. This fact alone has caused corn to be less of a problem than most of our major farm products.

Any recent increases in acreage of a given commodity, particularly basic ones, have been used as a yardstick to show that the price support was an artificial inducement to production. Let us look at corn acreage and see whether it applies:

Within the past 45 years—since 1909—there have been ups and downs in the corn acreage but the trend has been steadily downward since 1932. The year 1932 was the highest within this period when we had 113 million acres. The depression years were high-acreage years, for it was during this period that farmers were trying to meet their fixed costs by greater and ever greater production. By 1944 the acreage had dropped to 95½ million acres. Since then the acres have continued to drop until 1954 when it was down to 81 million.

Production to meet the needs of the livestock industry has been adequate because of better seed varieties—hybrid—better equipment, and more know-how.

Corn is grown in 44 of the 48 States but 4 States—Ohio, Indiana, Illinois, and Iowa—produce half of the average crop.

While about four-fifths or 80 percent of the corn crop is fed to livestock on the farm or immediate area where it is produced, the wide variety of uses gives it considerable flexibility. This flexibility has made for stability both to the corn producer and feeder. However, there is considerable fluctuation from year to year in the consumption of corn.

The corn support and storage program has helped the corn grower by stabilizing the price from year to year. It has helped the feeder by providing a dependable supply. And it has served the ulti-

mate consumer by providing a better and more stable supply of food from livestock sources.

Corn marketing quotas would appear to be impractical. The reason—less than one-fifth of the crop ever goes through a commercial marketing channel. In certain sections of the Corn Belt such as prevails in northwest Indiana corn is grown as a cash crop and sold for commercial use. In these areas the corn acreage can be partially controlled since a loan from the Commodity Credit Corporation—CCC—can be denied unless acreage allotments are observed. Since this is the corn that might glut the commercial market and thus disrupt the market for all the crop, the present system works effectively in actual practice although it might not seem so as a matter of theory.

The present law has been in effect with modifications since 1938, or 16 years. During that period corn has not been a problem.

The program has, however, worked effectively to support the livestock industry and helped to stabilize the farm income of the Middle West.

#### UP-TO-DATE PARITY

The present basis for parity is the cost during the 1910-14 period of producing corn, translated into modern prices the farmers have to pay. But, there has been substantial improvement in recent years in the method of production. As a consequence the time required to produce a bushel has dropped significantly. More expensive equipment and land is, however, involved.

Taking these factors into consideration the cost has dropped about 10 percent from the old parity formula. This is a factual, not a policy, proposition and was so acknowledged by the committee.

I, therefore, endorse the application of the modern parity formula as it would apply to corn. This would drop the support price in round figures from \$1.60 to \$1.45 per bushel.

#### CORN SUPPORTS CANNING CROPS AND FEED GRAINS

Another important service the corn price support program has rendered has seldom been recognized. This was demonstrated to me during our committee hearings.

An official of one of the large canning organizations was testifying. I asked him the question as to the contract price for canning crops with relation to the price of corn. He quite frankly stated that the contract price for canning crops was governed directly by the price of corn.

Since a very large share of the canning crops of the Nation are produced in the Corn Belt, it is understandable why this should happen. If the price of corn is reduced materially, so will the contract price for canning crops. With the price of corn somewhat stabilized, and since it is the predominant portion of our feed grains, it becomes the support indirectly of all feed grains. Oats, for example, will assume a price in proportion to its feeding value as compared with corn.



## SUMMATION ON CORN

First. Corn is not an export or import problem.

Second. Corn acreage is steadily going down; corn prices are apparently not stimulating artificial production.

Third. Weather is the greatest determining factor in the production of corn.

Fourth. The use of corn gives it great flexibility, giving the law of supply and demand an ample chance to operate.

Fifth. Due to the fact that four-fifths of the corn crop is used on the farm and never goes into commercial channels, marketing quotas are impractical.

Sixth. Corn has not been a problem crop; in other words, the present law has worked effectively. The most important function of the corn program has been the storage provision. This helped adjust the supply to the demand and leveled the lean and big crops.

Seventh. Modernized parity has been adopted for corn, thereby using an up-to-date figure for the average cost of production.

Eighth. The corn price-support program has helped to support the price of other feed grains as well as canning crops.

The farm program is a difficult problem to solve. Some farmers would have no farm program, being willing to take their chances on survival.

Most of these farmers would prefer to undergo a depression if necessary rather than be subject to control over production. Much as I admire this hardy spirit which has always been typical of the farmers of Indiana, I would be forced to conclude that as long as the Government has provided floors to protect workers and provide wage supports, that agriculture could not survive on a different basis.

Unfortunately, an agricultural economy based on a survival system would eventually be reflected upon the welfare of the soil itself. A farmer would go to almost any length in order to survive, even to the length of mining the soil. So it is not alone a question of what is best for this immediate generation, but we must also consider the future ones.

The ideal farm program will give the maximum protection with a minimum of controls. The corn program has served in such a fashion, but wheat and cotton have developed surplus problems. Until the abnormal surpluses of wheat and cotton are dispersed or consumption increased, the producers of these commodities may expect to have acreage controls or disastrously low prices.

It has been said so often it seems unnecessary to repeat it that the consumer's dollar buys more food today in terms of hours spent earning it than 20 years ago. Even so, the farmer's share of the consumer's dollar is now less than half. The cost of living has been rising for the last 6 years, while the farmer's prices have not kept pace.

It has been my goal to help pass legislation which will maintain the prosperity of the farmer and thereby the country without placing undue shackles on the farmer himself. It has also been my goal to try to view the problems of

all sections of the country with fairness and equality, not just those of my own district or State.

There is a certain amount of responsibility which should be assumed by the farmer too. Most farmers do not want the Government to do something for them; all they ask is that the rules of the game be fair so that they have a fair chance along with all the rest of the workers of our country.

More and more the farm legislation is looking forward toward greater farmer responsibility and greater not less freedom for the individual. Most agree, however, with the President's assertion that such steps as are taken should be gradual ones and not calculated to crash this most important farm economy of ours.

Bringing together the views of all the farmers as well as consumers and translating them into legislation has been a task.

In the legislation we have passed, it is my judgment we have made considerable progress. To be sure it is not going to suit everybody, in fact I sometimes wonder whether it suits very many. As most controversial pieces of legislation it represents a composite of many views. It does not suit me in some respects.

I had hoped that we might consider the individual commodities on an individual basis for each has its own peculiar problems. I had also hoped that we might enact legislation on a long-range basis not just for 1 year. Times and condition change, so we should be prepared to adjust our thinking and plans accordingly. It is my hope that the service I may have rendered to agriculture will be worth while and that we will all join in an effort to keep our country free and prosperous.

The President's endorsement of the recommendations by Secretary Benson for farmers in the low-income bracket is of supplementary nature to the price-support program under consideration by the House. These farms whose gross income is so low—under \$1,000—will not be helped very much by supporting the price of commodities they sell, for they sell such a small volume each year. We do not want to drive farmers with medium to high production records into the low-income bracket either.

As of now, it would appear that wheat is the only commodity likely to be supported at less than 82½ percent in 1956 when the law enacted in 1954 drops the support level to 75 percent. The wheat growers have taken a severe cut in acreage; the present estimated crop for 1955—865 million bushels—is about equal to demand according to best estimates. The acreage will have to remain at its present level until the previously accumulated surplus can be reduced to an amount considered as necessary for a safe reserve. This will mean a reduction from about 1 billion to 400 to 500 million bushels.

It is my recommendation that H. R. 12 be rejected since it will not solve the problems of agriculture. Rigid price supports have served an admirable purpose but with changed domestic and

world problems it has too much of a tendency to place the producer in a straitjacket and does not allow enough area for farmers to adjust to varying requirements at the market place. It unfortunately is precluding the farmer from an expanding market, a necessary ingredient for participating in the constantly expanding economy of our country.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. LOVRE].

(Mr. LOVRE asked and was given permission to revise and extend his remarks.)

Mr. LOVRE. Mr. Chairman, I rise in support of H. R. 12, better known as the 90 percent support program bill for agriculture. Ever since coming to Congress, I have fought, supported, and voted for at least 90 percent of parity for agriculture and shall do so again today.

Generally, Mr. Chairman, our economy is good and once again it is expanding after a slight slowdown shortly after the conclusion of the Korean war. Economic growth is being made at a healthy rate. Production is moving upward. Consumer incomes are increasing and still higher average standards of living are in prospect. The construction industry has entered into its 10th year of continuous expansion. World trade is improving—our exports were up 15 percent last year over the previous year.

Generally speaking, the changeover from war to peace is being achieved today with less irritation to our general economy than at any previous postwar period.

Like the overall economy, agriculture, too, is going through a period of readjustment from war to peace. The change for agriculture, however, has been altogether different from that of our general economy and has been exceedingly painful. This is due primarily to the greater difficulty in adjusting agricultural production. Export markets have been disappearing and surpluses have been piling up. These are just a few of the problems facing agriculture.

In addition, agriculture has been caught in a painful and serious price-cost squeeze. Farmers are paying just as much as ever for what they buy and are receiving less and less for what they sell, which is the best argument for the continuation of the 90-percent support program I know of. In discussing parity, we must always remember that parity is nothing else than a formula that determines price that is considered fair to producer and consumer alike. This being true, we should not content ourselves with 90 percent of parity but should continue our fight until full 100 percent of parity is achieved for the American farmer.

Compared with the Korean high, farm commodity prices are off 25 percent, but farming costs have gone down only 2 percent. That is the trouble that agriculture today finds itself in. If operating costs would come down proportionately with farm prices, you would hear no further complaints from agriculture.

The fact that the rapid drop during the last 2 years of the Truman adminis-



tration, when parity dropped from 113 percent to 94 percent, has been slowed down is commendable. Nevertheless, that is not enough. The trend has been and is in the wrong direction, and if not reversed trouble lies ahead.

I would be less than honest if I did not admit that I do not see much relief in the immediate future from the price-cost squeeze that agriculture finds itself in. There is no indication that the improved general business that today we enjoy will mean much to farmers. Supplies are so large that a moderate rise in demand will be unlikely to push prices up. On the other hand, prospects for industrial wage increases hold the threat of still higher prices ahead for machinery and other farm supplies, thus continuing the present price-cost squeeze.

This drop in parity and farm prices has been of real concern to everyone in Washington. Historically, we know that depressions are farm led and farm fed. You know that if the farmer is not prospering neither will you. Farm prosperity is directly reflected on the main street, in the factory, and in the offices of the professional man.

A drop in farm income affects everyone, and no one can escape the disastrous results that follow. It has been estimated that a \$1 billion drop in farm income results in a drop of \$240 million in farm spending for buildings and machinery alone. In that connection, I am sure it would startle all of us if we knew just how many millions of nonfarm people are living on the purchasing power of the farmers. In 1952 farmers purchased over 7 million tons of steel—more than is used for a year's output of passenger cars; 16½ billion gallons of crude oil—more than is used by any other industry; 320 million pounds of raw rubber—enough to put tires on over 6 million cars; 15 billion kilowatt-hours of electric power—enough to supply Chicago, Detroit, Baltimore, and Houston for 1 year. There are owned by farmers in this Nation today 4,400,000 tractors, approximately the same number of cars, and over 2,500,000 trucks.

These are facts over which there is no dispute. Difference of opinion arises only when we come to consider how to meet and solve the problems that arise from the facts.

Admittedly, the farm problem is complicated and even our three major farm organizations hold different views.

It seems most unfortunate to me, particularly at a time when our farmers are caught in this serious price-cost squeeze, that so much bitterness should be generated over only one phase of agriculture, namely rigid versus flexible supports.

It is unfortunate because such a controversy involves farm organizations at a time when all should be pulling together.

It is unfortunate because it has led to name-calling, insinuations and smears. We hear that those who are opposed to flexible supports are expedient and dishonest. Advocates of the flexible program have been called enemies of the farmer, tools of big business, and just plain stupid.

I believe there is plenty of room for honest differences of opinion. The economists differ, farmers differ and Members of Congress differ. I believe that all of them, no matter which side they take, are sincere and honest in their opinions.

Primarily, it is a question of the best way to do a job—of achieving full parity for agriculture. It is possible that both sides are partly right. Perhaps 90 percent would work out best on some commodities and flexible supports would be best for others. It is also possible that some different plan, such as a two-price system, might work best on still other commodities. I am exceedingly sorry that it was necessary for us to eliminate a two-price trial run on wheat. I have always contended that there was considerable merit to the principles contained in the old McNary-Haugen bill, and I hope that some day we can try it out and see how it works. I don't believe you can have one program and impose it on all of agriculture. In other words, I believe that a commodity-to-commodity approach is the best, always remembering that there is only one permanent solution, that is, new markets, new uses, and better distribution.

This controversy is also unfortunate because the proponents of both systems in their exuberance have distorted and misrepresented the facts.

One of these misrepresentations is that the farmer is to blame for the high cost of living, which had the effect of pitting the consumer against the farmer. This is absolutely untrue. Although farm prices have declined 25 percent from their February 1951 peak, the Bureau of Labor statistics show that during the 1947-49 to 1954 period, the index of retail food prices increased 13 percent. Here are a few examples:

In January 1948, the farm price of wheat reached a peak of \$2.81 a bushel, and the average price of a 1-pound loaf of bread was 13.8 cents. Today the farm price of wheat has dropped to \$2.14 a bushel, yet the average price of a 1-pound loaf of bread has increased to 17.5 cents. Thus, while the price of wheat declined 24 percent, the price of bread has advanced 27 percent. The farm value of the wheat in a 1-pound loaf of bread is 2.8 cents.

In the last half of 1948, the farm value of the corn in a 12-ounce package of corn flakes was 3.3 cents, and the average retail price was 18.1 cents. In the last half of 1954, the farm value of the corn in this package of corn flakes had dropped to 3 cents, while the average retail price of the corn flakes had jumped to 21.9 cents.

Out of each dollar spent by the American housewife for food, 57 cents now goes for processing, marketing and transportation charges. The farmer receives 43 cents. Of this 43 cents, approximately 30 cents goes to purchase tractors, trucks, plows, gasoline, fertilizer and other supplies required by modern farming. Thus the farmer and his family have only about 13 cents out of each consumer dollar for their work and investment. The farmer's share of the consumer dollar has been dropping

in recent years while retail food prices have remained near 1952 peak levels.

Here is another way of looking at the same thing. Today the average factory employee can buy more food for an hour's work than at any other period in the history of the country. The farmer has provided well, and the worker can buy 10.4 pounds of bread for an hour's labor today compared with 6.4 pounds in 1949 and only 3.5 pounds in 1914. Today the worker can buy 2 pounds of steak. In 1929 he could buy only 1.2 pounds, and nine-tenths in 1914, and so on down the line of all foods.

It is also contended that our support program is responsible for our present day surpluses. To this I cannot agree. It is true that wheat particularly is in serious trouble. At the beginning of the current marketing year, the total supply of United States wheat was at the all-time record level of 1,862,000,000 bushels. This includes a carryover of 903 million bushels of former-crop wheat, and a 1954 crop estimate of 959 million bushels. This is enough wheat to carry through to the 1956 harvest—meeting all domestic and export requirements until that time, even if not 1 grain of wheat is harvested in 1955.

This condition does present a problem, but it is not a problem caused by the program or the farmer, but rather by the Government and the administration of the program. In 1952 we had approximately 77 million acres of wheat and Charley Brannan, then the Secretary of Agriculture, pleaded with the farmers to plant every acre because they did not know what was going to happen in Korea. We had a large crop in 1952, as you remember, and at the same time we were also losing foreign markets. In 1953 acreage allotments and marketing quotas should have been put into effect. Secretary Brannan did not call for quotas and allotments, instead he asked farmers to plant 72 million acres. This request was exceeded by 6 million acres and we had another big crop. That is why we have this surplus of wheat.

Talking about surplus, I want to make my stand perfectly plain—we should thank God that we live in a land of plenty rather than in a land of scarcity. True, we have around six or seven billion dollars tied up in food and fiber, but what is so bad about that? Maybe in not too distant a future we will thank our lucky stars we have this surplus. To hear some people talk, you would think we were on the verge of bankruptcy because of the investments of CCC in food and fiber, but you never hear a word about the billions of dollars we have invested in manufactured articles. Last February 17, the Defense Department alone had declared surplus property—not needed now or in the future—totaling in value \$8,862,638,000, and mind you, this does not include the billions of dollars they have invested in stockpile materials of every kind, nature, and description.

It has also been charged that the cost of the 90-percent support program for basics has been exorbitant and a drain on the United States Treasury. Once again, how misleading this statement is.



In checking the report of the Commodity Credit Corporation, I find that from October 17, 1933, through February 28, 1955, the total cost of the price-support program for basic commodities totaled only \$326,405,477, and the cost of the support program during this period for both basic and nonbasic commodities totaled only \$1,959,288,930. During this same period the taxpayers shelled out for subsidies to the users of second and third class mail not \$2 billion but \$4,489,000,000. From 1931 to 1954, we subsidized the airlines to the sum of \$627 million and also the shipping industry for \$753 million. Thus, we can see, Mr. Chairman, that even though agriculture has received subsidies it is small in comparison to subsidies paid to other segments of our economy and over which there is no public discussion whatsoever.

I do not want to leave the impression that agriculture has been left to shift for itself. We have seen many fine, concrete programs inaugurated which will be of material assistance to our agricultural economy.

One of these steps was the special school milk program authorized by Congress as a provision of the Agricultural Act of 1954. It provided that up to \$100 million of funds be used to increase milk consumption by school children during a 2-year period.

Following that directive, the Department set up the special school milk program, and operations began last September. I know in my own State more than 250 schools are taking part in the program and as of today 140 percent more milk is being used by the school children than a year ago at this time.

We have not tapped the full potential of this program as yet. Mr. Chairman, the bill before us today authorizes an appropriation of \$75 million annually for this purpose instead of the \$50 million heretofore appropriated.

Another progressive step taken to benefit agriculture was the so-called durum wheat bill. This law, Public Law 8, 84th Congress, approved by President Eisenhower on February 19, is giving American producers a much needed opening up of the acreage allotments for durum wheat. Farmers in the durum-wheat area will be allowed to increase their production of this wheat up to the maximum acreage of cropland well suited to wheat production without being in violation of their wheat acreage allotments. Durum wheat under the revised acreage allotment program includes hard Amber Durum, Amber Durum, and Durum of the Class II varieties.

Under another program recently announced by the Department of Agriculture, Midwest farmers are being offered an opportunity to "reseal" for another year any 1954-crop grain they may have stored on their farms under a Commodity Credit Corporation loan or purchase agreement. The announcement was made by Secretary of Agriculture Ezra Taft Benson early this spring in order to give farmers a chance to build any additional storage facilities that might be needed to do this and still take care of storage for this year's crops. Grains eligible for reseal in my home

State of South Dakota are wheat, corn, oats, barley, grain sorghums, rye, and flaxseed.

In a move of great benefit to South Dakota ranchers, the present administration in cooperation with wool growers has developed a new Federal wool program. It is designed to give growers the most effective help they have ever had. It gives them concrete price encouragement, and strengthens the wool industry as a measure of national security.

Secretary Benson has set the incentive price for wool produced this year at 62 cents a pound. This level guarantees a better return to all wool growers this year and is a realistic approach to the distressing production cost problem facing sheepmen. As is fitting, the funds for operating this new incentive program will come from duties collected on wool imports. With this new program and the sympathetic understanding of their problems by the administration, wool growers can look forward to a new era of increasing economic stability.

And now, I would like to tell you a little about the help that America's farmers are receiving from the Farmers Home Administration. This agency makes a number of different loans that help our farmers develop their farms and carry on efficient business-like farming operations. These loans supplement the credit that is available from local banks.

I want to mention first the soil and water conservation loans. This is a new type of credit which enables farmers to finance irrigation systems and carry out soil conservation practices. Many farmers in South Dakota and elsewhere have had to watch their soil blow away or wash away because they did not have the cash on hand to pay for the necessary conservation measures. That day is fading, however. Farmers and ranchers can now borrow from Farmers Home Administration the funds they need to put these practices into effect immediately. Farmers may borrow up to \$25,000 for these purposes and repayments are stretched over a number of years.

America's farmers are also using the production and subsistence loans to a good advantage. These loans go to small farmers and are used to help them develop the kind of sound, balanced farm systems that are necessary to success. They also help young farmers get started on their own. The FHA also makes loans to small farmers to help them buy farms and improve the farms they already own.

The agency provides a line of emergency credit, also. In the past few years loans from the Farmers Home Administration have helped more than 4,000 South Dakota farmers keep going after they were hard hit by drought or similar disaster. Another form of emergency credit was provided by the 83d Congress in the form of special livestock loans to help cattlemen feed their foundation herds and maintain their operation.

One of the greatest accomplishments of the 83d Congress deals with the disposal program for surplus agricultural commodities. It is a program overflowing with possibilities, potentialities, and problems. This law provides for the disposal of surplus under several distinct

and separate programs and great strides have been taken in some of the phases while others have lagged considerably.

As a result of these legislative enactments combined with a more aggressive sales policy, it is now estimated that we will dispose of more than \$2 billion worth of surplus during the fiscal year 1955.

This has not all been easy, in any sense of the word. Two separate committees have been set up to make certain that we do not alienate friendly countries by dumping commodities on the market or drive down world price levels. These disposal programs have been in operation less than a year and a fine job is being done. I feel that such programs are the ultimate answer to our surplus problem.

I have recited many of the fine programs which have been inaugurated to develop a healthy agricultural economy, but the picture is not complete. What we need, to have a whole picture and not just a partial picture, is the 90-percent support program. I hope that his Congress in its wisdom will give this protection to our farmers.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ANFUSO].

(Mr. ANFUSO asked and was given permission to revise and extend his remarks.)

Mr. ANFUSO. Mr. Chairman, I rise in support of the bill under consideration.

We must commence with the proposition that the American economy is one great unit and all phases of it must be geared to the general welfare and prosperity of the Nation as a whole. You cannot help the city dweller by destroying the farmer. You cannot help the consumer of our agricultural products by undermining the producer of these products. Nor can you allow a per capita income for the factory worker of \$1,836 per year, while the per capita income for the man on the farm from farm operations is only \$658. Realism compels us to admit the fact that farming is essential to the prosperity of the industrial workers, the city dwellers and the entire Nation.

I had the honor and the privilege of serving on the House Post Office and Civil Service Committee when I was a Member of the 82d Congress. At that time, I advocated better living standards and urged a commensurate salary increase for all postal and civil service employees, in order to enable them to meet the high cost of living. More recently, I supported similar legislation. It has always been my policy to advocate a higher standard of living for all Americans, and it is natural and logical that we give priority to our own people and to their needs.

It is now my honor and privilege to serve on the Agriculture Committee. Frankly, I couldn't tell the difference between buckwheat and cottonseed, or between cornstarch and non-fat-milk powder. You could sell me one as the other. But I do know this, and my experience on the committee has strengthened my conviction, that farmers are human beings like the rest of us with all the human frailties and weaknesses with which we are all endowed in some abundance.



Mr. Chairman, it has not taken me very long to discover that if we ignore the basic needs of our farm population, it will reflect on the rest of us. If they reach a point where they can no longer derive a livelihood on the farm, they will turn toward our cities and seek employment in our factories and commercial enterprises. This additional competition will increase unemployment, cause greater congestion in our already overcrowded dwellings, and add to the growing list on our relief rolls. Surely, their skills and knowledge of farming will serve the country's welfare to a better degree if they can continue in their present occupation, but with greater opportunities for success.

To throw these farm families out on the city streets, denying them the opportunity to derive their livelihood from the soil, and at the same time endangering the economic status of the people in the cities is, to my mind, nothing less than a return to the rules of the jungle.

Mr. Chairman, a great myth has been created in this country which many people seriously believe. I refer to the fallacious thought that if we reduce price supports it will result in important price reductions to the consumer. This is not true. Let me point out that the farm price of the 4 or 5 basic commodities which are supported at 90 percent of parity is only a small part of the retail price which the consumer pays for these products. Here are some illustrations: A loaf of bread sells for about 16 to 18 cents, but of this amount the farmer gets only about 2½ cents for the wheat in that loaf. It is such a small percentage that the price of wheat would have to be cut about 80 cents a bushel in order to obtain a 1-cent reduction in the cost of a loaf of bread. Or take a cotton shirt which retails in the store at \$3.95. The cotton which goes into that shirt is worth less than 30 cents, and that is what the farmer gets for it. If you reduce the price of cotton you can readily see how little it would affect the price of the shirt.

In our committee hearings considering H. R. 12, we had the pleasure of listening to CIO President Walter P. Reuther on February 25, 1955. Let me read to you a few paragraphs from Mr. Reuther's statement:

We also know that most of the price we pay for food does not go to the farmer and that the effect of price supports on the prices we pay is very small. Even if dairymen got their feed grains free, it would mean only about 1 cent a quart savings on milk. The effect of the differences between 75 percent and 90 percent price support levels for corn and wheat on the price of milk has to be measured in fractions of a mill, which means that no savings whatever will be passed on to the consumer.

Aware of the lessons of history, we know that the welfare and destiny of farmers and wage earners are closely interrelated, that each depends upon the prosperity of the one to lift up the living standards of the other. In 1918 when the incomes of agricultural workers reached a new peak, those of industrial workers were not far behind. Contrariwise, when farm incomes skidded to a new low in 1932, the incomes of nonfarm workers followed, while unemployment reached a total of 12 million people. The same common fate was experienced by farm and city workers as their incomes moved up

during World War II, downward immediately thereafter, and upward under the impetus of increased defense production during the Korean war.

Certainly today we must recognize the basic economic fact that in our modern society, the well-being of every group is increasingly dependent on the sustained well-being of all the others.

Mr. Chairman, after considering all the facts, we must reach the inescapable conclusion that the principle of interdependence is particularly true in the relationship between farmers and industrial workers, just as it is equally true that farm prosperity is essential to the prosperity of the entire Nation.

Those of us who come from the industrial areas of the country are extremely interested in keeping our factories humming and our workers working. But how can we, in all justice, maintain this situation as long as the income of farmers remains at a rate of only \$665 per year? Farm operating costs remain near their record high, while the net farm income in 1954 was 28 percent below that of 1947 and 10 percent below the year 1953. Unless Congress restores the 90 percent of parity price supports, the prospects are that there will be further declines in farm income for the years 1955 and 1956. How can we maintain prosperity in other areas of our economy for very long if there is further deterioration in our farm economy? Surely, the effect of a declining farm economy will make itself felt in our industry and commerce, in our cities and towns.

I believe that the great consuming public in this country today realizes that our high standard of living can be maintained only by fair treatment economically for all Americans. Let me remind my colleagues that our greatest weapon against internal discontent and the threat of communism is a happy and prosperous American Nation.

While I am appealing to my colleagues who come from the cities and the industrial areas to help the farmers in their hour of need, I expect in the future to direct my appeal likewise to our colleagues from the rural areas of our great country for their support of legislation to increase the minimum wage and other measures which will benefit those living in urban area. This must not be a one-way deal. Farmers, too, must realize that expenses of city families have risen to a record high in recent years, but when wages fail to keep up with the cost of living the city workers and consumers reduce their purchases and consumption of farm products.

And this theory applies to legislators, as well. As soon as legislators rise to the point where their primary concern is the welfare of the country as a whole, as soon as they reach the determination that in proposing legislation they will consider not only the immediate effect of the measure in question upon the area which they represent but the long-range effect on the entire country, only then can they truly be called representatives of the United States.

Mr. Chairman, what has happened in the last 2 years because of the change in our price support structure? We have

had a drop in farm income of \$1.6 billion during this 2-year period. A situation of this kind is neither sound for agriculture nor for the Nation's economy as a whole. According to the Department of Commerce, a \$1-billion decline in farm income will result in a decline of \$240 million in farm spending for buildings and machinery. Over the past year this drop in farm spending was felt in many parts of the country, and needless to add that its effects are cumulative.

In this connection, it is worth recalling that American farmers normally use more steel per year than the amount of steel used in the production of automobiles; they use more petroleum than any other single industry; they use enough rubber each year to make 24 million tires; and they use enough electricity to supply the combined needs of cities like Chicago, Detroit, Baltimore, and Houston. These are just a few examples of goods and services consumed by American agriculture—the list can be extended much longer. But the point I am trying to emphasize is that the purchasing power of our farmers must be maintained, if we want to avert a farm-led depression—which is what would happen once the farm economy begins to falter.

Earlier in my remarks I referred to the myth that if we reduce price supports it will automatically result in a price reduction for the consumer. Let me point out another myth which is popular with many people in this country. There are those who say that the existing food surpluses are the result of the 90 percent of parity support program, and that these surpluses are harmful to the American economy.

Price supports did not create our surpluses in the basic crops. These abundant supplies were created by policies of our Government which relaxed the production control mechanisms of our farm program at the outbreak of the Korean conflict and called for all-out production of our major crops. It developed that we did not need all that we produced, mainly because our exports of farm commodities dropped 30 percent. The 90-percent support program had been in effect for 10 years prior to 1952, and during that time we accumulated no great surpluses. That we now have on hand more than we currently can consume is no fault of the farmer nor of his program.

I am more interested, however, in the question whether these surpluses are harmful to our economy. In my humble opinion, food is one of our best weapons in the struggle against communism. The production and effective use of these food surpluses as munitions of peace may go a long way toward preserving the peace of the world and the survival of mankind. A bushel of wheat, a case of dried whole milk or a case of macaroni will do a lot more good in most instances in winning the support of hungry people than a 6-inch shell or a machine gun.

Furthermore, maintaining reserves of great stocks of food is a form of consumer insurance which is better than money in the bank. In time of drought or crop failure for other reasons, as well as in the event of war, a favorable bank balance will not feed the hungry. Food



reserve should be regarded in the same category of national protection which we have established for certain metals and minerals for purposes of strategic stockpiling. It is important that we should have strategic stockpiling of surplus foods for any eventuality as a protection or our Nation's interests.

In conclusion, I want to touch on one other matter, namely, lowering food prices for the American consumer. I already pointed out that it cannot be done by reducing price supports. There are other ways, and one of these ways is suggested in a bill introduced recently by the distinguished chairman of the House Agriculture Committee, the Honorable HAROLD D. COOLEY, and myself. This is the so-called terminal markets bill which calls for the improvement and development of modern marketing facilities for the handling of perishable food products in urban areas.

In my own city of New York, where millions of consumers live and work, we have a totally outmoded market located in cramped and unsanitary quarters in downtown Manhattan. The large handling and distribution costs under these conditions and the transportation difficulties add to the high prices of basic foods. The same is undoubtedly true in other cities. Building modern new markets would cut costs and lead to lower prices for such perishable foods as vegetables, poultry, meats, eggs, and dairy products.

One last word. In the last presidential election Candidate Eisenhower and Candidate Stevenson promised strong farm supports. The only difference between the two candidates was that Eisenhower promised more to the farmer than did Stevenson. Eisenhower in his strong bid for the farm vote came out for 100 percent farm supports while Stevenson limited himself to 90 percent.

I say we should not play politics with the farmers any more than we should play politics with the city folks. Our committee did not play politics with this bill because the vote was better than 2 to 1 in favor of it.

I urge my friends on both sides of the aisle not to play politics now. Remember that when you come a knocking at the farmer's door for city legislation, do not be expecting that good old southern hospitality if you pull the rug from under him now on his only program which would guarantee to him the bare necessities of life.

Mr. HOPE. Mr. Chairman, I yield myself 15 minutes.

(Mr. HOPE asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, the subject before us today is not new. It is exceedingly unlikely that any votes will be changed by anything that is said on the floor this afternoon. However I think it is well to have this discussion of the subject of price supports on the basic commodities because agriculture is a dynamic and changing as well as a growing industry and if we are to understand its problems we must keep our knowledge up to date.

#### PROBLEM NOW IS DISTRIBUTION AND MARKETING

The fundamental problem of agriculture at this time is better distribution and marketing. We are reminded of this by a recent report from the Department of Agriculture showing that the farmers' share of the consumers dollar has now dropped to 42 percent, the lowest for many years. Secretary Benson and his associates in the Department of Agriculture are tackling this big, long-range problem. Congress has been giving consideration to it for a long time. But I am sure that no one anticipates that it will be solved this year or next year or even in the next 10 years, although we hope that improvements will be made.

#### MUST INCREASE PRODUCTION TO KEEP UP WITH INCREASED POPULATION

A still longer range program of course is in the field of production, and it goes to the question of whether with our rapid increase in population American farmers will be able to produce enough to enable our country to continue its high standard of living as far as food and fiber consumption are concerned. Research and education, in the field of production and soil and water conservation are the means which we are now using to meet that problem when it arrives.

#### IMMEDIATE PROBLEMS

But the immediate problems confronting the American farmer are principally two. First, surpluses of certain storable commodities; and, second, the steady decline in farm income which has taken place for several years past and is still continuing. The legislation before us is admittedly temporary legislation applicable for the present and the following 2 years. It is an effort to deal with the problems of surpluses and farm income. The question is whether on basic commodities price supports for 1955, 1956, and 1957 will be at the rate of 90 percent, or at from 82½ percent to 90 percent of parity for 1955 and from 75 to 90 percent of parity for 1956 and 1957.

#### FLEXIBLE SUPPORTS WILL NOT BRING ABOUT ADJUSTMENT IN SUPPLY AND DEMAND

I know that there are defects in a program of 90-percent price supports. But there is not a single criticism of 90 percent supports which cannot be made of flexible supports.

The argument which is most commonly advanced in support of flexible price supports is that this program will bring about an adjustment in production and demand and thus do away with surpluses and controls. This is on the theory, first, that lower price supports will reduce supply, and second, that they will result in increased consumption of the product. As applied to the basic commodities these assumptions simply are not true. The House Committee on Agriculture has been dealing with the matter of flexible price supports for 17 years. Never during that time has any evidence been presented to the committee which would justify an assumption that a reduction in price supports on the basic commodities will result in any substantial reduction in acreage or production, or any lessening of controls.

There has been evidence and plenty of it that an increase in price supports

will bring about an increase in production. This is because farmers, if assured of increased prices, will invest in new machinery, will use more fertilizer, and will farm more intensively than would otherwise be the case. To do this requires increased expenditures both in capital investment and operating expenses, but if assured of increased prices farmers will take the risk.

However a decrease in price supports within the limits that anyone has suggested in connection with flexible price supports has not resulted in a reduction in acreage and production. This is due to several reasons. One is that a reduction in production means little if any reduction in operating expenses, they go on just the same. In order to meet them the farmer will attempt to maintain about the same gross income. If prices are lower per unit he feels he must produce more units so the tendency is to increase rather than decrease production.

#### PRICE REDUCTIONS TO FARMERS WILL NOT INCREASE CONSUMPTION

The other assumption which is equally false as to most basic commodities is that a reduction in the price the farmer receives will bring about an increase in consumption. It simply does not work out that way. In the case of commodities like wheat and cotton the farm price of the raw material has practically no connection with the price of the finished article. There are 2½ cents worth of wheat in a 20-cent loaf of bread and about 35 cents worth of cotton in a \$5 cotton shirt. The same thing holds true for tobacco and generally speaking it holds true, but to a lesser extent, for the other three basic commodities.

#### FLEXIBLE PRICE SUPPORTS HAVE BEEN ON TRIAL FOR 17 YEARS

The plea will be made today that we ought to give flexible price supports a trial. The fact is they have been on trial for the last 17 years.

There is nothing new about flexible price supports either on basic or non-basic commodities. They were originally set up in the 1938 Agricultural Adjustment Act on basic commodities at a level of from 52 to 75 percent of parity. They remained flexible until the war period when they were increased to 85 percent of parity first and later to 90 percent under the terms of the Steagall amendment. Under that amendment these rates were in effect through 1948. The 1948 Agricultural Act extended them for the 1949 crop year. The 1949 act provided for flexible price supports on basic commodities from 75 to 90 percent parity. However price supports were continued at 90 percent for several years by action of the Secretary and for 1953 and 1954 by action of Congress.

The 1938 act, in addition to providing for price supports through loans on the basic commodities authorized the Commodity Credit Corporation to make loans on agricultural commodities including dairy products without fixing any levels or limits at which such loans might be made. The 1948 act provided for mandatory 90-percent loans for the crop year 1949 not only on the basic commodities



but on milk and milk products, hogs, chickens, and eggs. The 1949 act in addition to dealing with basic commodities provided for mandatory support for certain commodities including Irish potatoes at from 60 to 90 percent of parity and from 75 to 90 percent of parity in the case of milk products. It also authorized supports not to exceed 90 percent of parity for all other nonbasic commodities, thus setting up a range of flexibility from zero to 90 percent.

There has been no experience under any of the acts either with basic or nonbasic commodities which would justify the conclusion that flexible price supports or low price supports have resulted in any decrease in production or any increase in consumption or any lessening of controls.

INTENTIONS TO PLANT SHOW INCREASE IN SPITE  
OF LOWERED PRICE SUPPORTS

A current example of the fact that the lowering of price supports under a flexible program does not bring about a reduction in acreage is shown in the intentions to plant as submitted by farmers for 1955. Sometime ago the Department of Agriculture announced that in the case of oats, barley, sorghum grains, soybeans, and flaxseed price supports would be reduced from 85 percent of parity to 70 percent of parity. If the theory that lower price supports bring about lower acreage and production was correct we would expect that this would result in a decreased acreage.

The facts however are directly opposite. In the case of barley the intentions to plant show an increase of  $8\frac{1}{10}$  percent over the 1954 acreage and 35 percent over the 10-year average; sorghum grains show an increase of  $10\frac{6}{10}$  percent over 1954 and 65 percent over the 10-year average; oats an increase of eight-tenths of 1 percent over 1954 and  $8\frac{4}{10}$  percent over the 10-year average; soybeans an increase of  $6\frac{1}{2}$  percent over 1954 and 45 percent over the 10-year average; flaxseed showed a decrease of  $3\frac{1}{10}$  percent over 1954 but an increase of 41 percent over the 10-year average. Here we have a decrease in price supports of about 17 percent followed by a substantial increase in acreage.

REDUCTIONS ON BASIC COMMODITIES DUE TO  
CONTROL

Of course we are dealing only with basic commodities in this legislation. All of them are under acreage allotments. All of them are under marketing quotas excepting corn. Reductions are being secured. The amount of the reductions would be exactly the same no matter what the level of price supports. It is the control program not the level of price supports which is bringing about the reduction and the controls are the same whether the supports are rigid or flexible. This has always been the case.

MODERNIZED PARITY WILL RESULT IN LOWER  
SUPPORTS

There are those perhaps who feel that price supports on the basic commodities are too high and that flexible price supports are one way of securing a reduction. Let me say to those that on four of the basic commodities there will be a substantial reduction in price supports during the next 3 years no matter

whether the figure is kept at 90 percent or lower. This is because of the shift to modernized parity which will begin to take effect on the basic commodities in 1956. Four commodities will be affected adversely. On the basis of 1954 parity the parity price on cotton will decline  $1\frac{8}{10}$  cents per pound. The decline on wheat will be 39 cents per bushel. On corn 22 cents per bushel. On peanuts  $2\frac{3}{4}$  cents per pound. When it is considered that in the case of these commodities it will be necessary to continue tight acreage allotments and marketing quotas for some time in the future or until the surplus is done away with it will be seen that farm income must inevitably continue to decline whether supports are rigid or flexible but of course the decline will be greater if they are flexible.

PASSAGE OF H. R. 12 WILL SLOW UP DECLINE  
IN FARM INCOME

The passage of this legislation will not entirely prevent that decline but it will ameliorate it. The question today is not controls—it is not the principle of price supports. The question today is will we do something to at least slow up this decline in farm income or will we let it continue to go down, down, down just as it did in the 1920's and end up as then not only in an agricultural depression but in one which affects the entire economy.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. Brown].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, it is encouraging to see the continued effort being made by a substantial number of Members of Congress to restore mandatory 90-percent price supports on basic commodities. Early in the session I introduced a bill to return supports to 90 percent of parity. I want to compliment the Committee on Agriculture on taking such prompt action in reporting out such a bill. I was thoroughly convinced last year that the Congress, under prodding from the President and the Secretary of Agriculture, committed a grievous and what promises to be a costly error in voting to place supports under a flexible system under which supports can go as low as  $82\frac{1}{2}$  percent of parity this year and 75 percent next year.

The facts which then existed and proved conclusively in my mind the unsoundness of tampering with a system that has worked successfully still prevail. In fact, all that has happened since Congress adopted the new farm program strengthens the argument for returning to the mandatory 90-percent system.

Costs of the things which the farmer must buy to operate remain at record high levels. The parity ratio—that is the relationship of prices received by farmers to the cost of items he buys—continues to slide downward. Farm prices are weak and tend to decline—not increase. The farmer is caught in a price-cost squeeze which becomes tighter with each passing day and with acreage cut down for the second year in a row.

We have seen farm income decline, while our population increased; we have seen farm income decrease while the interest costs of farm credit have increased; we have seen farm income decrease while the cost of living has increased; and we have seen farm income decrease while wages generally have increased. And what is the administration's cure for the plight of the American farmer? Is it stability in farm income? Is it an incentive to produce the food and fiber which the American and world consumer requires? Is it a program designed to better the standard of living on our farms and provide an inducement to stay the flight of farm labor to the city?

The cure proposed last year was to permit a further decline in farm income by adopting a sliding scale support price program. It seems to me that in view of the conditions which faced American agriculture the adoption of the sliding scale support price program was the equivalent of a doctor recommending a reducing diet for a patient suffering from malnutrition.

There is something tragic in this new approach to a farm price support program. At the very same time this administration is arguing for a system under which farm price supports can only go down, it is urging Congress to increase the minimum wage. Under this administration, it is 90 percent to 75 percent for farmers, but it is 75 cents to 90 cents for labor.

Secretary Benson and spokesmen for those groups supporting his 75 percent to 90 percent flexible price support system are always careful to point out to congressional groups that gadgets placed in the law insure that cotton farmers will continue to receive 90 percent of parity. The set-aside is such a gadget. The Secretary sets aside 3 million bales of cotton. By bookkeeping hocus-pocus, this large amount of cotton is made to disappear when the time comes to computing supply for price support purposes. The sole reason is to insure that farmers continue to get the 90 percent supports.

The farmers of Georgia cannot understand this kind of talk. If the Department of Agriculture believes they are entitled to 90 percent supports, farmers believe it should be written in the law. Farmers do not understand legislative gadgets and gimmicks. They do understand that they are caught in a cost-price squeeze and need 90 percent supports.

This is a matter too important to them—a matter of economic life or death—to leave to the administrative juggling of any one man, and by that they are not critical of the present Secretary of Agriculture. But Secretary Benson has long charged that 90 percent supports have priced cotton out of the foreign markets. Yet, American cotton today is selling at prices competitive with foreign cotton. He has never yet explained how this could happen.

Another argument which has been exploded is that by lowering supports production of cotton can be reduced. This is nonsense. When the price declines, farmers have to raise more cotton to in-



sure that their cash income will be sufficient to pay their operating costs.

The purposes and objectives of the original 90 percent agricultural price-support program were to provide a stability to farm income and to assure production of the food and fiber required for consumption. These purposes and objectives are not mere words; they embody the cornerstone of a fair, equitable agricultural policy, not only for farmers, but for consumers, business, and labor alike. The day has long passed when a major component of our economy, such as agriculture, can be treated as having no effect on the rest of our economy. A fair and equitable agricultural policy assuring stability of reasonable farm income is the equivalent of placing orders for tractors, trucks, combines, and other farm implements and machinery, with corresponding benefits to mineral and metal producers, manufacturing and fabricating industries, transportation, distributors and retailers of goods and equipment, industrial and allied employment, all in addition to assuring needed production for human consumption and apparel.

Secretary Benson admits that farmers are caught in a tightening cost-price squeeze. He apparently believes cotton farmers are entitled to 90-percent supports and has resorted to all sorts of devices to see that it is insured. Would not the logical thing, then, be to restore the system of mandatory 90-percent supports? I believe so, and I am happy to have an opportunity to vote for such a bill at this session of Congress. I am, therefore, supporting and will vote for H. R. 12.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DAGUE].

(Mr. DAGUE asked and was given permission to revise and extend his remarks.)

Mr. DAGUE. Mr. Chairman, my firm reliance on the integrity of my associates in the Committee on Agriculture who voted to report the bill now before us does not permit me to join in the widespread accusations that politics is largely in back of the revival of the controversy over rigid versus flexible supports. I am firmly convinced that the supporters of this measure feel that 90 percent of parity is necessary to a stable program. And I give them the credit of having the commonsense and astuteness to have ascertained beforehand that the people they represent are likewise of the belief that a return to the original program is vital to agricultural stability.

My position in the matter is likewise dictated largely by the prevailing sentiment in my congressional district; and the fact that rigid, high-level supports with attendant controls have always been anathema to most of our Pennsylvania farmers makes it extremely easy for me to follow my personal opinion that a rigid program can only result in a lack of stability at the farm level.

The premise upon which my opposition to H. R. 12 is based is set forth exactly in the majority report on the bill which I quote as follows:

The committee is aware that this legislation—

The pending measure—

is not of itself the complete remedy for all the ills of agriculture, nor will it bring to full realization the objectives set forth above.

And the objectives referred to previously in the same report are identified as maintaining a level of farm income that will enable farmers to conserve and improve the soil.

A little further along in the majority report, however, we find a frank—and to me an unavoidable—admission of the weakness of the position of the proponents of H. R. 12 when they point out that farm prices are down 22 percent since February 1951, and I submit that therein is a fatal admission since it concedes that agricultural income has slipped badly during the period in which 90-percent supports were in full force and effect. In other words, our high-support friends are coming to us and asking us to restore a program which the farmers—at least in my district—have already found to be completely ineffective in keeping up farm prices. Indeed it seems, to use the vernacular of the street, that they are now asking us to give them “more of the hair of the dog that bit them.”

In making the statement that I am prepared, short of the payment of outright cash subsidies, to support any program that will keep farm income at a high level, I must also state that I am not too much interested in the controversy over how much the program has cost to date. The actual cost of the farm program involves so many administrative items and includes so much giveaway in pursuit of our diplomatic objectives as to make comparisons almost meaningless. And to deny that almost every segment of our economy has been subsidized to some extent is to ignore the true facts in the case. And with that observation we must return to the original issue; namely, that controversy over just how a restoration of 90 percent of parity on basic commodities will restore the earning power of our farm people which well to its present level during a period when the program we abandoned on January 1 was fully operative.

When we discussed this proposition last year, I observed that there seems to be an inclination among my colleagues in the Committee on Agriculture to dismiss or ignore the fact that Pennsylvania is a great agricultural State and that, in the long run, our stature in the field of agriculture has been maintained with but little reliance on Government incentives. As a matter of fact, my district—consisting of Lancaster and Chester Counties—is the leading agricultural area east of the Mississippi River and is the leading nonirrigated agricultural area in the United States. This preeminence can be pointed up by reference to two commodities in particular; namely, tobacco and mushrooms, in which we lead the entire Nation and in both cases without the benefit of Government subsidies. In the case of tobacco, the growers in Lancaster County voted down quotas in the ratio of 6 to 1—and I like to think that this attitude of self-reliance has set an example in free enterprise for other sections to follow if they can only be weaned from the

regimentation which their apparent failure to diversify has brought upon them.

There is, of course, an attempt to prove that the 12,000 farms in the Ninth Pennsylvania District have benefited from the rigid supports that have been maintained under crops grown in other localities, but it will take only a brief examination of the facts to prove that the contrary is the case. As producers of large quantities of fluid milk and poultry products, we have had to pay an inflated price for processed feeds, whereas the end products of our industry have had to compete in a free market. In a similarly striking example we have seen our small wheat-growers placed under the most irksome regulations simply because the commercial wheat States have elected to accept acreage restrictions, which in turn become binding on those farmers who have rejected the entire socialistic philosophy of selling to the Government instead of in the market place.

Any comparison of American agriculture with that of Communist Russia must prove odious, but I cannot refrain from suggesting that what we are seeing in the U. S. S. R., where under the Commissars the government-controlled farms are not producing enough to meet their domestic needs, is a fair warning of what will happen here if we continue to surrender our God-given prerogatives to a socialistic concept of hand-outs and controls.

As I have already tried to emphasize, even to the point of being boringly repetitious, my opposition to a return to rigid 90-percent supports centers largely on the obvious fact that while such supports have been in effect we have seen farm prices slide and surplus-agriculture products mount to where they are unmanageable. And I say that to pin our farm economy to such tenuous support is comparable to throwing a drowning man a rotten rope.

I have two mentors in the field of agriculture, both of whom I hold in deep respect and affectionate regard. They are our former committee chairman, the gentleman from Kansas [Mr. HOPE], and our distinguished Secretary of Agriculture, Mr. Benson.

In quoting Mr. HOPE I might say that I think he emphasized one important fact in the hearings on H. R. 12 before our committee when he pointed out that our present law, the Agriculture Act of 1954, is basically the same law that has been on the statute books since 1949 with the exception that the operation of its flexible provisions have been deferred throughout 1955 by the inclusion of 1 year's supports of from 82½ percent to 90 percent. And I might further point out that the flexible features were never removed when the present majority was in power but were only postponed, and as a result they have no criteria upon which to base the assumption that a sliding scale will not work.

And now in referring to Secretary Benson I want to quote from his prepared statement which he delivered before our full committee on February 17, last. At that time Mr. Benson said:

Under the Agriculture Act of 1954, farmers can get price support of 90 percent of parity, but surplus must be kept in line if they are



to get it. The responsibility is on the farmers, on their representatives in Congress and their Secretary of Agriculture. If we should give a flat guaranty of 90 percent of parity, as H. R. 12 proposes, we would undercut the incentive to keep supplies in line. If price support is mandatory at 90 percent of parity, acreage allotments could be increased, production controls could be suspended, and CCC inventories could continue their upward climb without affecting the level of price supports. But under the Agriculture Act of 1954, anything that boosts the supply beyond a certain point has the effect of lowering the level of price support.

Many of the difficulties under which we now labor, particularly for wheat, may be traced to the fact that for many years this powerful incentive for helping keep the farm programs in balance has been lacking. If mounting supplies mean lowered price supports, farmers will be less likely to press for increased allotments, legislators will look with greater concern on mounting supplies, and administrators will be guided more by what is sound and less by what is expedient.

And if I may add to the Secretary's sensible conclusions, it brings to the fore a sense of fiscal and legislative responsibility in agriculture matters which heretofore has been deplorably avoided.

The need for a strong and healthy agriculture in this country was never greater than it is at this time, since the direction our farm economy takes may well be an indication of the way our entire free-enterprise system will turn. We have tried a program of rigid controls and a form of regimentation with its penalties and its frustrations, and we are convinced that it can only result in the socialization of this basic industry. We saw our stalwart forebears reject the paternalism and the regimentation of the British King and we fought a bloody civil war within the Union to excise the cancer of human bondage from the vitals of a people who had bound themselves together in a great compact pledging the preservation of individual freedom. The issue before us today is just as clear-cut, and we can either turn to the system of minimum controls upon which our greatness has been built or we can continue down the road that leads to the abyss at the bottom of which lies the wreckage of every socialistic system that has come to curse the human race throughout its long struggle for survival. In the spirit of those who have sacrificed so much to keep us free let us reinstate the farmer in his traditional place in our competitive system with the assurance that he will always have that protection against disaster that every other segment of our economy will always enjoy.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. HYDE].

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I am opposed to the 90 percent of parity rigid farm price support because it seems to me that this program has been ineffective in maintaining good prices for farm products. It has proved to be expensive and wasteful. The proof lies in the fact that the tremendous drop in farm prices in recent years has occurred while we have had rigid price supports. It seems to me that we should give the flex-

ible support program an opportunity to bring some order out of chaos in the farm program.

The following is typical of letters I have received from farmers in my district on this subject:

Many of us farmers here in Garrett County are very much concerned over the possible passage of the bill known as H. R. 12. We are opposed to this bill because it provides 90 percent mandatory support of the basic price of farm commodities. It is our opinion that such a high support price will necessitate crop allotments, and would eventually involve us in a complete regimentation of agriculture. It seems to us that some other provisions of this bill, which provide for the school lunch and the brucellosis program could be provided without this bill. Whereas, we feel that the 90 percent support of basic prices is dangerous, we hope you will oppose this bill.

And another note I received this morning:

The writer learns H. R. 12 soon comes up for vote. Ninety percent parity would adversely effect we farmers' products now without support which are selling for or above parity. Let us not move in reverse. Hope you will vote "no" on this bill.

These letters are from farmers who hold offices in farm organizations in my congressional district. They are typical points of view of farmers who are prominent in both political parties.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SCHENCK].

(Mr. SCHENCK asked and was given permission to revise and extend his remarks.)

Mr. SCHENCK. Mr. Chairman, the Third District of Ohio, which district I have the honor to represent here in the Congress, is very largely an urban and the farm program has not been a problem until the last 2 years or so. It has always been my policy to keep in close personal touch with the grassroots opinions of my district and my observations here are the result of a number of conferences I have held.

During the recent Easter recess I held conferences in my district on these farm problems. One of my conferences was with a group of farmers. Another was with some of the most active, well-trained, and experienced men in the farm-management field and they operate thousands of acres of land within a rather large area. The firsthand information I received from these farmers, farm experts, and individual farmers is very helpful to me in the study of all proposed farm legislation.

The problem, of course, is much larger than H. R. 12 which we are considering here today. I am told that a 2½-percent reduction in the costs of farmers is equal to a 10-percent increase in the farmer's net income. We should study that cost problem too.

Many farmers in our area are deeply disturbed because they are not permitted to vote on acreage-allotment programs since they have not had a historic average of 15 acres of wheat. They deeply resent being disqualified and being unable to vote.

Acreage allotments based on history of the farm are easy to administer but

they do not reflect good farm and land management. To illustrate this situation, Mr. Chairman, I was told about two farms and I was informed these were good, true, typical illustrations.

One very good farm consisting of 338 acres of good productive land now has a wheat acreage allotment of only 15 acres based on its history.

Another very much less valuable farm of 267 acres, only 70 percent of which is tillable, has a wheat acreage allotment of 22 acres.

Good management programs would include a much larger wheat acreage of the 338-acre farm because of its ability, facilities, and larger per acre investment. Good management of the 267-acre farm could well indicate a reduction in the wheat acreage.

The farm program, Mr. Chairman, is one of a great many considerations. H. R. 12 will not only not solve the problems I have mentioned but it will not solve other problems either.

Mr. Chairman, the supporters of H. R. 12 contend that this legislation is needed to reverse the downward trend in farm income which we have experienced the last several years. This argument would be humorous indeed if we were not dealing with such a serious subject.

Ninety percent of parity price supports for basic commodities have been in effect since early in World War II. They were in effect all during the war, and since the war. They are now in effect on all 1954 crops. Flexible farm price supports go into effect on 1955 crops. But those crops are not yet produced. Therefore, all the deterioration in farm earnings which we have experienced has come under high rigid price supports—the very system H. R. 12 seeks to extend.

The net income of American farmers reached an all-time high of \$16.8 billion in 1947. This declined to a little over \$12 billion last year. And all of this occurred under high rigid price supports. The 1947 figure came at the end of the postwar adjustment. There is considerable evidence the decline has been arrested.

But the important point is that H. R. 12 would extend the very system that operated during the decline, in an effort to reverse the downturn it caused. This is circular reasoning at its worst.

A similar situation exists with respect to the farm parity index. It declined from a high of 113 in February 1951, to 94 in January 1953, when Ezra Taft Benson became Secretary of Agriculture. This was a total decline of 19 points. In the 26 months since that time, the parity ratio has fluctuated within the narrow range of 8 points, and last month was only 7 points below the figure of 2 years earlier.

This decline in the parity ratio occurred under high rigid price supports for basics. Although the decline has been arrested in the last year or so, high rigid price supports could not turn it upward. This will be done only under market expansion and adjustment of production and consumption which will occur under flexible farm price supports provided in the Agricultural Act of 1954.



No one contends that flexible farm price supports will provide a cure-all for our agricultural problem. But it surely makes no sense to argue that the remedy for today's agricultural distress is another dose of the same system that caused the disease.

This kind of argument is sheer economic nonsense. It is political opportunism at its worst.

Mr. Chairman, this House should reject H. R. 12.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. FJARE].

(Mr. FJARE asked and was given permission to revise and extend his remarks.)

Mr. FJARE. Mr. Chairman, I believe that our agricultural programs should be developed with the needs of the market in mind. It is neither good government nor good economy to encourage farm production without regard to marketability. The quality of a product is important in any business and it is also important to a healthy and prosperous agriculture. We have seen amazing scientific advances in the development of better agricultural products, but have failed to acknowledge this development in any appreciable degree in our basic farm marketing programs.

Normally the market value of a product is determined by the joint desires of the producer and the consumer. The costs of production and the necessity of a profit on the part of the producer are balanced against the needs and desires of the purchaser and his ability to pay. Price fixing for the protection of the producer must sooner or later result in retarded consumption and as a result retarded production, or else in complete regimentation with the consumer being forced to purchase. I am greatly concerned over the ill effects of either possibility on our American way of life.

High rigid guaranteed supports have caused farmers in much of the wheat belt to grow for the support price instead of the market. They have planted seed that would yield the most bushels per acre, rather than the high quality, high protein, lower yield varieties that flour millers desire. Under these programs the man who has been growing wheat for the market has his production cut back on the same basis as the man who grows wheat for the Government loan.

I think that our farm economy must be geared to a theory of usable abundance. The prime aim of our agricultural economy is naturally to supply an adequate food supply for ourselves first, and then to engage in beneficial world trade with the free nations having a short food supply. Production should not be encouraged for storage, but rather for commercial purposes. High rigid supports, do not offer a realistic approach to the long-term farm problem, because they will continue to encourage non-farmers to engage in the farming profession and produce for storage rather than for consumption. In the long run the man of the soil, who depends upon agriculture for his living, will not be best served by this type of legislation. High price supports un-

doubtedly serve to temporarily increase the market price of agricultural products, but the benefit, if any, is greatest to the speculator and the large producer who doesn't need it, and the small producer, who needs a larger income, is not materially helped, but rather harmed by the acreage restrictions which are a fundamental part of support programs.

The farmer having a limited acreage is far more concerned with acreage reductions than he is with minor differentials in price. Wheat farming is necessarily a risk, dependent in large part upon the elements, and the risk is greatly increased for the small farmer when his operation is cut to a bare minimum by acreage controls. The situation is particularly true of the wheat growers in my own State of Montana, because while it is historically a producer of the highest quality wheat, wheat land in Montana is not well suited to the production of profitable crops other than wheat. Production cuts therefore actually endanger the existence of many of our smaller farmers.

Those who advocate a high rigid price support program are loudly proclaiming that farm prices are being wrecked by flexible supports. It just is not so. Flexible price supports do not become operative until the 1955 harvest. Consequently the decline in farm income to this point has resulted from the rigid 90 percent supports for the basic commodities, and in my opinion another dose of the same medicine will not help the farmer.

I would like to see our agricultural program recognize the fact that there is as much difference between the various types and grades of wheat as there is between dairy and beef cattle. All types of wheat are now lumped together, whether they be spring, winter, hard, soft, red, white, high protein, or low protein. We now have a recordbreaking surplus of wheat, but not of all types and grades of wheat. Durum wheat is in very short supply, and this Congress has enacted legislation temporarily easing restrictions on its production. High protein milling wheat is also in tight supply and should be granted special consideration. I would recommend that our farm program take the different types and grades of wheat into consideration in establishing controls. Producers of quality wheat should not be penalized because of an overproduction of wheat that is not desirable to the millers of flour.

I think that each of us has to honestly analyze where we are going under our agricultural programs. Do we intend that Government regulation of this industry shall continue indefinitely, or do we regard our price-support programs as a temporary necessity caused by unstable world conditions of the last 20 years? Do we feel that a regimented farm economy is more desirable, or do we think that in normal times the hope of a profit and individually managed farms and ranches, responding to a market price reflecting supply and demand, is the road to usable abundance? A vote for H. R. 12 is an expression in favor of a continued regimented economy and a vote against the measure is an expres-

sion of faith in the ability of the American farmer to eventually solve his own problems in his own way with a minimum of Government control.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HAGEN].

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. HAGEN. Mr. Chairman, it is with a great deal of personal reluctance that I assume the role of the only Democrat on the House Agriculture Committee to oppose the passage of H. R. 12 in its present form. I recognize the ability and sincerity of Chairman COOLEY, Congressman POAGE, Congressman HOPE, and other able and sincere advocates, both Republican and Democratic, of this legislation. I recognize the merit of their complaints about some aspects of the administration of the present farm program and the justification of their impatience with Secretary Benson for resting on a mere reduction of price-support levels—I should say practically a continued grant of authority to reduce support levels—as an adequate answer to the farm problem. I am sure they regard H. R. 12 as stopgap legislation to correct a declining price level and conclude that such stopgap is presently necessary.

My difference with them is that I regard this stopgap as worse than the gap insofar as the typical farmer is concerned. I do not assert that a proper program of 90 percent of parity on basic crops could not be worked out. I do say that this shotgun effort without refinement is worse than the present situation.

A multitude of reasons exist for opposing H. R. 12. The first relates to legislative practice. The only aspect of this bill on which hearings were held was the restoration of mandatory 90 percent of parity for five basic crops. This is a poor way to legislate, and the error is not cured by an impending committee amendment to strike the inclusion of a two-price plan for wheat, mainly because its inclusion has seriously injured the prospects of passage of this bill in the House.

There are more basic reasons for my opposition. I am in Congress as a representative of an agricultural area which runs the gamut of commodities produced and producible. Support prices for basic crops are important to my farmers, but these crops constitute only a minority element in the gross agricultural product of the 14th California Congressional District. I am the representative of farmers who prosper or fail on the basis of a proper support program and farmers for whom basic support programs have no impact. I suspect that a majority of my farmers are opposed to 90 percent of parity or basics or any other crops through Government edict although that suspicion does not control my thinking any more than the opposite consideration that support of H. R. 12 is probably official present Democratic Party strategy.

I represent an area of overall highly efficient agriculture but which contains farms of all categories of acreage size and gross and net income. I feel that I



am privileged with access to a representative sampling of composite farm opinion. I am persuaded by my own thinking and not by the factor that a position pro or con may be Republican or Democratic policy, Farm Bureau or non-Farm Bureau policy, Grange or non-Grange policy, prolabor or anti-labor policy.

I am keeping my eye on the main target justifying my service here—consideration for the typical farmer who lives in my district and either is, or can reasonably be put in the position of, earning an American standard of living on the farm. He is the farmer for whom I have the first and overweening concern.

Nor do I judge from any position that Government activity on behalf of farmers is socialistic. I do not believe that; however, I am convinced that a Federal support-price program, necessary to preserve the well-being of most American farmers, must be in all aspects reasonable and fair and devoid of politics and geographical distinctions. I believe that a support program can become so interlarded with politics and injustices that its capacity for damage should be reduced if the prospects of correcting it are not presently politically feasible. The aggravation of a damage potential caused by such interlarding is, I believe, the proposition posed by H. R. 12.

The political nature of various basic price-support programs, which H. R. 12 does not propose to correct but only to aggravate by restoration of a higher level of parity, is obvious on examination of our commodity support laws.

Tobacco, peanuts, wheat, corn, cotton, and rice all have different ground rules in toto. Parity periods differ. Parity formulas differ. Marketing quotas are the rule for some and acreage quotas for others. The necessity for restriction of production is measured by differing standards and the methods of voting on restriction of production vary. Base periods for dividing quotas among States vary. With respect to some, trends of production are recognized. With respect to cotton there is no recognition of trend as an element of progress. Distinction exists in the breakdown of quotas and acreages to farms and farmers. Some commodity laws are weighted in favor of the landowners—others in favor of the operator—others divide privileges. Other instances of different ground rules could be cited.

Undoubtedly there are rational justifications for some of these differences but the great bulk are irrational and political and wrongfully inconsistent. They represent crass politics and reflect the varying political strengths of geographic areas of the country and choices between dominant elements in the farm picture in various communities. They were politically arrived at and politically administered and are subject to constant political pressure devoid of considerations of true equity. Here is a situation which really needs cleaning up before consideration should be given to restoration of 90 percent of parity. Any law which contains these weaknesses should fall of its own weight and the surpluses which bring most of the inequities into play should not be encouraged by a shotgun

return to 90 percent of parity. Our committee is remiss in not bringing forth a real review of laws affecting the various commodities in order that they might be consolidated and rationalized and the Secretary of Agriculture is equally guilty in failing to make such recommendations instead of merely defending a flexible standard of parity—which he has largely failed to put into operation for political reasons—and which only has the merit of being slightly less dangerous than the proposal in H. R. 12.

Parity price support is a necessary ingredient in a farm program but too much parity like too much tobacco or food in the human body converts a pleasant or benign influence into a toxic one.

If the parity level represents a guaranteed profit and there is no limit on participation and the margin of profit on the average increases with the size of operation, farmers who have made a life of farming will have new neighbors or old neighbors expanded to the point of a caricature of a farmer—a class of financiers and managers and employers of cheap labor. These new or bloated neighbors will make a major contribution to the surpluses which are potential with respect to almost every American crop and will hasten the day of quotas rapidly. On that day of reckoning the manager-financier neighbor suffers a loss of income. The dirt farmer suffers a loss of livelihood either temporary or permanent. This has happened under our 90 percent of parity with the present ground rules for participation. Let me illustrate.

In my opinion Walter Reuther, president of the CIO, who testified in support of this bill, inadvertently demonstrated it. In his principal statement he asked our committee to give careful attention to the welfare of the family farmer who was deliberately being made to suffer by the policies of the Eisenhower administration. He stated that the growing concentration of production in larger farms was the most crucial farm problem facing the Nation and that the farm price support program cannot alone meet the needs of the vast majority of them. At the same time Mr. Reuther presented a verbatim copy of the farm program resolution adopted by the 1954 CIO constitutional convention. There is a declaration in this resolution as follows:

Any farm program which accelerates the tendency of big-business farm enterprise to drive smaller farmers off the land would once again subject an important group of our fellow Americans to the brutal laws of the jungle, just as the industrial workers of the cities were subjected to this same law before they organized into unions for their mutual protection.

For many years there has been a disturbing trend toward concentration in American agriculture. In 1950 more than half of all farmland in the United States was held in farms of less than 250 acres; today, however, more than half of it is in farms of 500 acres or more and 42 percent of it is in farms of more than 1,000 acres.

In view of the fact that for all practical purposes 90 percent of parity has been in effect from 1950 to the date of said resolution these statistics made me

pause to question Mr. Reuther. I asked him if the coincidence of 90 percent of parity with the slippage in small farms during those years did not indicate that 90 percent of parity was the villain. In response to my second statement of the question he replied:

Well, my answer would be a general one, that we have failed to gear the abundance of farms and the abundance of the factories to the basic unfilled needs of the American people. Until we do that, we have not got an answer.

I suspect that there is a better answer within the confines of our farm laws and that privately Mr. Reuther might agree with me that H. R. 12 is only dope applied to the hurt of the family farmers, which, if applied long enough, will kill the patient by the failure to apply curative medication.

Authoritative studies indicate that since 1935 the number of farms of more than 1,000 acres has increased by 37 percent to the point that they encompass 42.6 percent of all United States farmlands and produce over 50 percent of United States farm income. Since 1935 our present price support ground rules have been substantially continuously in effect with the only change being an increase in support levels and this combination of facts is significant.

Latest census figures indicate that price-support programs are, with the growth in size of farms just noted, becoming instruments for driving out smaller operators with a concurrent concentration of benefits to a constantly declining number of people or with a relative decline in ratio of benefit the largest number of people. These figures indicate that 1.9 percent of the Nation's farmers received more than 25 percent of total price support benefits—9 percent received over 50 percent of the benefits and 91 percent—the overwhelming bulk of our farm families—received less than 50 percent of price-support payments. We should remember that the taxpayers make a major contribution to the cost of such benefits—a cost which will increase because of the loss of a percent of our foreign markets and the increase of the productive potential of our agriculturists in almost every field of production. These costs take the form of Government expenditure for storage and handling and administration and losses suffered on wash sales or outright gifts of commodities impelled by the urgent need of commodity disposal. It is in this respect that the member of a labor union or any citizen is granted the right to inspect the validity of the program. As the proponents urge he has probably broken even or saved money in his role of consumer. For farm area representatives the burning issue is the development and support of a program which helps only those farmers who constitute the traditional backbone of American agriculture and have a reasonable chance of earning an American living on the farm.

It should be noted that 90 percent of parity has been a major contributor to loss of our traditional export markets. Foreign low-cost labor areas with the proper soil, climate and financing can produce almost any American grown farm commodity cheaper. Ninety per-



cent of parity has invited such competition in the production of those commodities with respect to which we are major suppliers of the world market. We have raised the price of our product to the point that they can undersell us with a tremendous margin of profit guaranteed, a secondary price support. The traditional lack of financing in these areas has thus disappeared. In fact American bankers and firms engaged in the processing of American products are contributing directly to such financing at the expense of our Government and our people. The recent report of the Eastland committee very ably supplies this conclusion with respect to cotton production and cotton support levels.

In the light of these facts our committee should have addressed itself to basic proposals for improvement of our support programs before increasing parity levels. The proposals of Representative PATMAN and Senators KEFAUVER, HUMPHREY and SPARKMAN for a program aimed at support where needed should have been considered. They were not.

I would support 90 percent of parity with a proviso that loans and purchases be limited to \$75,000 or \$100,000 of gross product in the hands of the grower. Such a ceiling would accommodate the great median of farmers raising almost every commodity without extending an invitation to speculators.

Finally I would address myself in somewhat provincial fashion to those legislators who represent areas which are areas of expansion generally in the field of agriculture or in the growth of a particular commodity. I come from such an area and we seem to be the poor relatives in establishing the ground rules for allocation of production quotas. With respect to a great many commodities we have entered the field with the most efficient production and efficiency is a by-word for Americans. Ironically we are sometimes in the field by reason of the inducement of rewards promised by 90 percent of parity—a program largely promulgated by older producing areas. We were invited in and made our investments and changed our patterns of farming. Simple justice would dictate that we receive equal treatment in all production restrictions which occur. Such has not been the case. Existing laws contain many injustices and constant attempts are made to add others. All our farmers are classified as large farmers and worthy of some lesser consideration. This is simply not true and we must resist any approach which attempts geographic distinctions by some device of definition which excludes our small farmers. We should reserve our support of any program of 90 percent of parity with its probabilities of surpluses and quotas until we are given assurances that we will not shed our blood through the special legislation which has heretofore been sought in quota years in one or the other bodies of the Congress. In that connection I wish to express my thanks to my colleagues on the House Agriculture Committee for probity and fairness in that regard.

The record of the other body has not been as laudable. Inequalities were sought in the cotton quota law. In-

equalities were sought and prevailed in emergency rice quota legislation. A bill from the other body now before the House Agriculture Committee would make every area producing crops under quotas pay, in terms of special allotments aggravating surpluses, for national disasters occurring in selected areas of production. We have had none recently in California.

These efforts at inequality—past, present, and probable—are basic in my opposition to extension of 90 percent of parity on basic crops at this time. I am hopeful that these reasons will disappear as we sit down and consider the problems of agriculture, wherever resident, objectively.

Mr. COOLEY. Mr. Chairman, I yield 8 minutes to the gentlewoman from Minnesota [Mrs. KNUTSON].

(Mrs. KNUTSON asked and was given permission to revise and extend her remarks.)

Mrs. KNUTSON. Mr. Chairman, the people in our constituencies have much to do with our jobs. I imagine most of us read the newspapers of our districts. While reading one from Twin Valley in my district, I came across an item of levity directed at the problem we are now considering. It said:

Washington can talk all it wants about support prices, but you can't beat marrying a rich widow.

I told this to a visitor and he commented, "We might solve the quicksand parity situation by marrying farmers off to rich widows." I said, "We don't have enough rich widows," which brings us back to the original situation. With serious regard and practical intent, I should like to relate, without interruption, my reasons in support of this bill. We live in a changing environment, a changing world, that requires progress in thought and action to meet the perplexities that arise. Though proposed solutions have been put into operation to alleviate problems in agriculture, which should be given opportunity, let us not be placed in the position of holding them a complete panacea when the past does not credit them complete success. I am thinking, for example, of the sales-advertising program for milk. It is true our problem might be solved by adequate distribution, but sales campaigns in past decades did not accomplish this. Therefore, I feel support at parity prices must be done now, though other factors are at work during the same time, to prevent the hardships on our farmers and the harm to our economy's purchasing power.

Restoration of this bill to replace flexible supports is our most important step to a better farm program to facilitate America as the land of opportunity.

First. Family-type farms have always been our national policy. Land control represented a fundamental break with the past when the brave New World was established. It was the land tenure pattern of Europe, with its serfs, peasants, indentured servants, and landless tenants supporting the landed gentry, from which many fled to build America. The conviction that freeholders working their own land would make up the heart

of a democratic society, started the distinctively American landownership system.

Thomas Jefferson in reform laws of Virginia designed to place landholdings into hands of individuals said:

The small landholders are the most precious part of the State.

Other contemporary Americans agreed. Tory and crown estates in the new nation were parceled out to citizens as small farms, and closed public lands were opened for individual settlement. Americans sought political democracy on the basis of economic democracy, by the opportunity of individual citizens to own productive land.

Before 1800, Congress, in a rage against land speculation, fixed 160 acres as a family-size farm. It picked that figure arbitrarily and as a convenience—because it happened to be a quarter section under a new rectangular national survey. Through years of ensuing debate it stuck to its principle of equal opportunity for all, with land for the many and not just for the few.

The Preemption Act of 1841 was a milestone. It gave the right of 160 acres of vacant western land to the head of a family providing he settled that land. Later to become the homestead law of our Nation, President Lincoln signed this law for family farms—subsidy if you wish—with these words, "I am in favor of settling the land into small parcels so every man can have a home."

Our family-type farm is our most important agricultural unit, economically and socially. If we cannot maintain it as a reasonably profitable form of livelihood, we will start an economic and social prairie fire as in the 1920's.

This principle of a family living on its land was established and developed by our forefathers and remains the virtue of our individuality.

Second. The future of stable farm families depends upon prices higher than the cost of production that gives each family the necessary income to retain livelihood. Four out of five people have left farms in the last 40 years. The exodus is not necessarily bad from this standpoint, that labor has been replaced by machines and techniques. One effect can be bad, and one that can work a terrible havoc on our farming system, is the catastrophe of lower prices for commodities than the farmers' costs of maintaining machines and techniques, plus a fair living standard. Our farmers, on the average, get about 40 percent less for their capital investment and labor than the rewards of capital and labor in other occupations.

If we allow a trend toward lower standard of living and bring further disparity, we will find a trend on our farms to retain a bare subsistence living, which in turn means a cutback on outlay for machines and techniques. The end result will be the dangerous depletion of the fertility of our soil. In my district I have found a decline of implement transactions because of the 40 percent drop in net farm income between 1951 and 1954.

The drop in farm income caused the value of agricultural assets to drop from



\$170.1 billion on January 1, 1952, to \$156.5 billion on January 1, 1955, while 30 leading industrial stocks soared from \$175 to \$412.97 per share from 1949 to 1955. Our livestock values have declined by 40 percent.

The manpower on our farms must be used. Machinery inventory cannot remain idle—it must be used. Each farmer must work and must put his assets to use or there is no income. Therefore, there must be no decline in overall farm production. Our 5 million farmers have no centralized control of production. What he produces is inelastic—it varies little from year to year. The so-called surplus is as much a blessing now as it was during the days of Joseph in Egypt. A surplus should not, and must not be used as an excuse for crucifying farm families with disaster parity.

A basic change has taken place on our farms, particularly evident since 1935. Costs of producing their crops and livestock now eat up the overwhelming portion of the prices he receives. Forty years ago farmers produced most of their own power in the form of horses and mules and food for them such as corn, oats, and hay. They also then had their own fertilizer.

The farmer's wife churned butter, baked bread and cakes, canned a yearly supply of perishable foods, and in some cases spun and wove.

In those days a farmer earned little cash and needed little. Many of the goods and services needed for production and living came from the farm itself.

Today all this is changed. The farmer buys his power, his fuel, his fertilizer. His wife buys her groceries at the market. The farm family each year spends almost as much for food as the city family.

It takes but simple arithmetic to understand a farmer will be forced off his land if it costs him more than he takes in. Our family farms are products of national policy, long established—changing times require changing methods to retain our national heritage.

Third. It is most imperative that 90-percent supports replace disaster-support levels until we achieve the means for full parity. Our immediate problem is to achieve fair farm income. We must prevent amputation of agriculture from the trunk of our economy. Farm income as a whole does not yield a fair return for the farmer's labor and a fair return for his investment.

If a farmer were to be put on a par with the average manufacturing profits in our country, he would receive not 100-percent parity, but at least 158 percent of parity. This is a conservative estimate. It is based on Government figures of a 10-percent profit after taxes. If 158-percent parity put farmers on par with industry, you can immediately see 90 percent of parity does not put farmers on a par with industry. Our family on a farm is more than just a business, and is more than just its labor, and more than just the crops it cultivates and the animals it nurtures—it is a way of life and an integral part of our Nation's economy.

The most important problem confronting us at the present time, is main-

taining farm income—the purchasing power. The farmer is, so to speak, our most prolific consumer. He buys the products of industry—the products of labor; prodigious amounts of steel, petroleum, rubber, electricity, and yes—he pays our Government income tax when he has an adequate income. Without a doubt, farmers pay more taxes than the cost of a good farm program could ever be. Income taxes paid by farmers dropped by 34 percent from 1953 to 1954. Perhaps the greatest contribution our farm family gives our country, is the culture of the freedom-loving, initiative sons and daughters molded in growth.

Our new system of families living on their own farms—and it is new, though it is as old as the birth of our America—is not typical of other countries. Wander as you might—travel as you will—our cult of landownership is new and untarnished. Countries outside America will reflect in your vision, strains of a feudal system or developments from it. Villages of farmers turn out to their fields with hoe and scythe. Though these citizens of other lands love their plots and give their toil, our farmer raises his family in the midst of his acres, the most efficient in the world. I love my rural district. A glance tells the layout of each farm. There is a satisfaction in driving into a farmyard, to see the farmer board his tractor, drive through his fresh, misty, farmyard grove with noisy chirping birds—perhaps to help his neighbor in the field. His children look out to see who has come—then gleefully call for Mother—a happy down-to-earth greeting as she begs you to come in and relax while she busily puts on the coffeepot or goes out to her chicken coop to gather the eggs from her faithful hens—a daily routine. Such refreshing visits does but invigorate one's respect for our farm way of life—a way of life that should remain as a choice for any individual in our country. A pattern of living in a democracy that requires our attention as legislators in the same way the right of free speech requires our attention daily. Adequate farm income is a task we must accomplish for the economic health and welfare of our country.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, in a way I am sorry to address you this afternoon. I believe this is about the first time since I have been in the House when I have found it almost a necessity to be on the opposite side of my most congenial and lovable friend, the ranking member and former chairman of our Committee on Agriculture. Of course, I can say the same for my friends on the left-hand side and, therefore, it is difficult for me to oppose this bill, H. R. 12. It is an unusual position to be in. I might say in the beginning of my talk we are all in favor of parity prices for farm products. The question that we must decide—and we are working at it at cross

purposes today—is how to bring it about. I think we should be tolerant in that sort of position, and that is exactly what I expect to do.

Coming before the Committee on Agriculture we always have some crop experts, and as you heard discussed, even from the ranks of labor, to tell us how to run our farms. My mother always said, "If you want to know how to raise a family ask a 75-year-old old maid." So, if you want to know how to operate an agricultural program ask the head of a labor union. He could give you some ideas because he has lived off the farmers ever since he has had a union. I do not say literally, but it is up to us to produce the products or else he would not have to ask for 30 cents an hour more, as I noticed in the paper this morning. In a paper which I read it was \$3 an hour. My father would turn over and knock the top off his casket if he ever thought a farmer got \$3 a day, and they are asking for a 30-cents-an-hour increase.

When we state that 90 percent of parity will bankrupt the country, I have a doubt arise as the farmer would, of course, have to spend or would spend his increased income.

Under the banner of the opposition, if the Secretary of Agriculture wanted to hold all products at 90 percent of parity under the bill that goes into effect January 1, he could do it. The function of price in competitive society is to adjust production to what the market wants and to adjust consumption to what is produced. It is our conviction that the incomes of farmers will be maintained at the highest possible level if we allow opportunity for our price system to perform for agriculture the functions which it alone can adequately perform. That is, to serve as the main balance wheel between supply and demand. That is a fine statement and it cannot be disproved. It is not and it was not supports that caused the price of farm products to average 124 percent of parity for the calendar year 1946, and 113 percent of parity for the period for 11 years, 1942 to 1952. Do not forget that.

It was the extraordinary demand associated with war and the conditions that grew out of war. The war demonstrated the truth of the saying that "There are no surpluses in war."

Wheat exports which had averaged only 63.8 million bushels in the period 1937 to 1941 hit a peak of 504 million bushels in 1948. Cotton exports reached 4.7 million bales in 1948, and 5.8 million bales in 1949, in comparison with a 1937-41 average of 3.5 million bales. Tobacco exports amounted to 451.1 million pounds in 1948, in comparison to 346.8 million pounds in 1937-41. Rice exports reached 9.1 million hundredweight in 1948 in comparison with 3.6 million hundredweight in 1937 to 1941. Other farm exports also reached the high level in this period. By 1949 production in other countries was beginning to recover from the war, with a consequent reduction in the need for our farm products. In other words, they did not buy them at all. In my opinion, that has more to do with what we are talking about on this floor



this afternoon than all the arguments for 90 percent of parity and all the arguments in opposition to it.

Exports fell off about 30 percent in the year which began July 1, 1952, and have continued to run a little less than \$3 billion per year since that time. Wheat and cotton were particularly hard hit by this fall off in export markets. In the year which ended June 30, 1954, we exported only 219 million bushels of wheat and 3.8 million bales of cotton. If you want to know what is the matter with the market, all you have to do is to look at that.

The idea that 90 percent of parity price support is of great benefit to millions of small farmers likewise will not stand close examination.

I wonder when you hear all this talk about all these figures, if you ever stop to consider—and I checked it up, that one-third of all the farmers in these United States live off the farm. I used to tell my wife when we were living on the homestead that we were making a living off the homestead—5 miles off teaching school; and that is exactly what 1,600,000 farmers are doing today, and yet they are all counted when we begin to count the income of the farmer; they are all counted by the Department of Agriculture when they give these figures. When it comes to working out a farm program for 90 percent parity, I want to ask if you are going to consider one-third of those farmers who live on small farms, but earn their living elsewhere? What is the definition of a small farm? A small farm is one they say that produces from \$250 to \$1,199 per year. Now, they are working off that farm and yet they are counted in all these statistics. I wonder sometimes when we are ever going to get any judgment on how we work out our statistics.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I would like to, but I have only 2 minutes. I do not see how I can unless the gentleman just wants to extend his remarks.

The Senate Committee on Agriculture has not held any hearings on this 90-percent-parity bill. I quote from a speech made in Florida on April 2 by a Member of the other body in which he commented on the increase of cotton acreage abroad. Here is what he said. I will let you guess where the Senator came from:

This trend proves the absurdity of the United States attempts to keep world cotton supplies in balance through production controls in this country. It further proves the absolute false premise of any farm policy which prevents a farm commodity from meeting its competition.

How has 90 percent of parity supports solved the problems of low-income farmers? We have just received from the President and the Secretary of Agriculture a message and a series of recommendations which reveal the fact that price supports are of little help to those in real need.

Why, then, is H. R. 12 laid before us?

The majority report on H. R. 12 says the purpose of the bill is "to reverse the present recession in agriculture."

This, then, is the reason for asking the House to set aside its action of last summer that still has not gone into effect.

The answer to the story of the gentleman from Texas about the rattlesnake is that the rattlesnake got into the pen too quick before he even had the mice.

This must be the case since we have been supporting prices of the basic commodities at 90 percent of parity since early in World War II.

If agriculture is in such bad shape as the majority report contends, then 90 percent of parity obviously is not the remedy, because such difficulties we now have developed under this program, in my mind.

The dairy industry, which has price supports on a flexible basis has cut production, increased consumption, reduced surpluses, stepped up promotion, and we think is on its way toward better times.

Beef, which also escaped price supports, has won its way back to the American table. My friend from Texas said let us not have this price support on beef. Beef has been doing pretty good. We may be paying more for it, but at least we have it on our tables.

The American cotton farmers hold the umbrella for the rest of the world. From 1925 and 1929 to 1950 and 1954, a span of 25 years, American cotton production has declined about 8 percent, while cotton production in the rest of the world has doubled.

Rice farmers find themselves priced out of world markets and our rice exports reduced to a trickle.

Our wheat is priced out of the feed market and hardly a bushel moves into export trade without a Government subsidy, which averages 70 cents a bushel.

Corn farmers thought so little of 90 percent of parity that in 1954 only about 40 percent of them chose to comply with their allotments.

The New York Times carried a story some time ago to the effect that the Commodity Credit Corporation might have to request another increase in its borrowing authority. Last year we increased the limit from \$6.75 billion to \$8 billion. Later in the year we increased it to \$10 billion. There is hope of pulling down the size of our stocks if we go the route of flexible supports. Rigid supports at 90 percent of parity seem to mean bigger and bigger stockpiles, heavier and heavier losses, lower and lower farm prices.

The shift to flexible supports comes just in time to keep 90 percent of parity from collapsing of its own weight. We firmly believe agricultural prices are firming up.

We owe it to agriculture and to the country to give flexible price supports—the Agricultural Act of 1954—a chance to operate. We operated for 10 years after the close of World War II with price supports designed to increase production for that emergency. We should now point our agriculture programs toward peacetime production.

In closing, we are talking about legislation and imagining what is going to

happen when the act does not go into effect until the crop year of 1955 is marketed.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER].

(Mr. BEAMER asked and was given permission to revise and extend his remarks.)

Mr. BEAMER. Mr. Chairman, it has been said by other speakers that the chances are no votes will be changed in this debate. However, the record can be set straight.

In the first place, I am deeply concerned about the condition of the farmers throughout the country and, like all of the other speakers, particularly about the farming conditions in Indiana and in the district which I have the privilege to represent. For example, I quote from the Bureau of Business Research, Indiana University, April 1955, as follows:

Wheat: March 1954, \$2.13; March 1955, \$1.93.

Corn: March 1954, \$1.43; March 1955, \$1.33.  
Soybeans: March 1954, \$3.28; March 1955, \$2.55.

Hogs: March 1954, \$25.20; March 1955, \$15.50.

Cattle: March 1954, \$16.60; March 1955, \$17.10.

Chickens: March 1954, 24 cents; March 1955, 27 cents.

Whole milk: March 1954, \$3.75; March 1955, \$3.75.

This points out the stark fact that there has been a decline in all of the commodities on which there was a rigid price support, and this decline has been continuing for 4 long years. In March of 1954, Secretary Benson invoked the one flexible feature of the existing farm parity price law and applied it to dairy products. Whole milk is the only product that has remained steady. As a small dairy farmer, I am very appreciative of this fact.

The farmers in Indiana have been writing and expressing themselves in favor of a change from this program, which has brought them nothing but declining prices and increased taxes. They refer to the fact that it seems that the only person to whom they could sell was the Federal Government. Since Secretary Benson changed the parity formula on dairy products, butter and other dairy products now are finding their way onto the consumer's table. At the same time, the milk checks that we have been receiving have been increasing. Is not that just good business?

Many farmers have expressed concern over the requirements of the Commodity Credit Corporation and its constantly expanded requirements for more money. It was reported recently that the CCC had approximately 72 million bushels of wheat stored in 317 ships at the end of 1954. Recently announced United States Department of Agriculture plans indicated that 105 additional ships will be required on the west coast to store approximately 24 million bushels of this grain.

The cost of the share of every taxpayer in this storage of agriculture products is increasing. The \$7.1 billion worth of stored products and commodity loans re-



ported in 1954 amounts to about \$44.49 for every man, woman, and child in the United States. A year ago, when stored commodities and loans aggregated \$5.7 billion, each person's share then was \$35.78.

Perhaps the current argument in Congress brings up an important question. Have the farmers been oversold by politicians on what Government can do for them? I quote from the *Better Farming* magazine of May 1955:

Corn Belt farmers have been pondering this question. Has the Government been successful in the past in raising farm prices?

Here are average parity ratios since 1910:

|      |     |
|------|-----|
| 1910 | 107 |
| 1911 | 96  |
| 1912 | 98  |
| 1913 | 101 |
| 1914 | 98  |
| 1915 | 94  |
| 1916 | 103 |
| 1917 | 120 |
| 1918 | 119 |
| 1919 | 110 |
| 1920 | 99  |
| 1921 | 80  |
| 1922 | 87  |
| 1923 | 89  |
| 1924 | 89  |
| 1925 | 95  |
| 1926 | 91  |
| 1927 | 88  |
| 1928 | 91  |
| 1929 | 92  |
| 1930 | 83  |
| 1931 | 67  |
| 1932 | 58  |
| 1933 | 64  |
| 1934 | 75  |
| 1935 | 88  |
| 1936 | 92  |
| 1937 | 93  |
| 1938 | 78  |
| 1939 | 77  |
| 1940 | 81  |
| 1941 | 93  |
| 1942 | 105 |
| 1943 | 113 |
| 1944 | 108 |
| 1945 | 109 |
| 1946 | 113 |
| 1947 | 115 |
| 1948 | 110 |
| 1949 | 100 |
| 1950 | 101 |
| 1951 | 107 |
| 1952 | 100 |
| 1953 | 92  |
| 1954 | 89  |

Figures, as we interpret them, show wars and droughts have influenced farm prices far more than Government supports.

Figures such as these show that wars and droughts have influenced farm prices far more than Government supports.

For my part, and I believe that I can safely say that the Indiana farmers will agree, we want to see the flexible price support program enacted by the 83d Congress given a chance. It does not go into effect until the 1955 crops are harvested and marketed. We do not want to see a plan or program followed that has brought nothing but declining farm prices and a depressed agricultural situation for the last 4 years. That is the reason that we oppose H. R. 12 which is merely a continuation of this old program which has been both costly to the farmer and expensive to the taxpayer.

These same farmers want to retain the right to produce basic commodities with

a minimum of controls which will bring a full parity in the market place. The answer may not lie entirely in legislation. It may lie more in the field of marketing methods, improvement of export conditions, scientific advances and many similar factors. Great progress has been made during the last year in getting at a solution to the dairy problem. The price of milk and butterfat to farmers is at about the same level, and in some cases higher, than it was under the 90 percent price support provision that went out in April 1954. In other words, why should the farmer not have the same right that is enjoyed by other businessmen to sell his products at a price even higher than 90 percent on a parity schedule if he and his associates have the ingenuity, ability and desire to do so. Farming is a big business today. But there are many small farmers and none of the small farmers have benefited from even the rigid price support program which has been in existence. Actually, the benefits have gone to the large farmer and even to the large corporations.

For this reason, a plea is being made not only in behalf of the farmer but also in behalf of the consumer and the laboring man whose child is entitled to good food, and the taxpayer, to discontinue this expensive program and meet the problem in a realistic manner which the farmers want.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, for many years the American farmer could consider himself fortunate in that his economy and his farm program were not made the objects of partisan politics. In the early days of the great depression farmers were the first to feel the pain of a faltering economy. Democrats and Republicans, in and out of Congress, teamed together in an effort to lift agriculture to its rightful place in our economy. Sundry programs were conceived, enacted, and, from time to time, perfected by amendment. The result was a good farm program, for which there has yet to be submitted a good substitute. It eliminated some of the enormous risks common to the farming enterprise. It assured farmers a fairer share of the Nation's net income. Farming, for the first time, was given a spot in the sunlight at the Federal level.

In the Congress bipartisan spirit and action prevailed. Republicans, who throughout most of those years were in the minority, took great delight in claiming equal credit for enactment of the programs. They pointed with pride to their cooperation and contributions, and rightly so. Farm organizations likewise praised the bipartisan spirit prevailing in the Agriculture Committees and in the Congress. I specifically recall the testimony of a great leader of one of the great farm organizations who warned that once the bipartisanship was broken down farmers would be the victims and the losers. Events of the past 2½ years have proven his prophecy to be so true. Farmers are now the losers of a broken bipartisan approach.

It had its beginning soon after this administration took office. This was quite contrary to their campaign commitments. Then they had nothing but praise for the program and committed themselves to carry on. In fact, they went a step farther and actually promised to up farm prices to 100 percent of parity. In so doing they actually took the farm issue, if one existed, completely out of the presidential campaign.

But as soon as they took over the reins of the Government, they plunged the program deep into partisan politics. There it has since remained.

Their continued criticism is something I am unable to understand unless it is their method to cover up the failure of their own program as well as their inability to properly and capably administer any program.

#### CRITICISMS AND EXCUSES

Mr. Benson and his subordinates now make two particular points on addressing themselves to the subject of agriculture.

First, they contend that the gargantuan losses sustained by American agriculture during the more than 2 years they have been in power can be laid to the holdover Democratic program which they have had to administer.

Second, they then take the offensive, contending that the farm economy is just all right, that it has leveled off, is now on the upgrade and that "we are moving in the right direction."

The answer to the first contention is, they have not tried to administer the so-called Democratic program. They have done everything in their power to make it a failure and have succeeded in making it just that. No program and no law is any better than its administration. The President himself conceded during his campaign that it was a good program. He solemnly pledged himself to carry it through and actually stood pat on the idea that farmers were entitled to a minimum of 90 percent parity. He even promised to get them more—100 percent. But for some reason after he and his administrators came into power they decided that the program was very bad. Therefore, they have done everything in their power to make it just that way. Who will contend that they have administered the program in a spirit of trying to make it work?

To answer the second argument, that farmers, under their leadership, "are moving in the right direction"—one need only take a look at the terrific decline in net farm income since they acquired control of the Department of Agriculture. During 1953, their first year in office, net farm income dropped from 13.62 billion to 13.27 billion, a loss of \$350 million. During their second year, 1954, net farm income dropped from 13.27 billion to 11.98 billion, a loss of \$1,300 million from the previous year, a total loss of 1.64 billion under their administration. The trend continues downward in 1955. In the face of this continued decline, staggering as it is, the Secretary, in testimony before our committee a few weeks ago, still contends that "we are moving in the right direction." Now, I ask you, are we?



## DIVIDE AND CONQUER

The divide-and-conquer technique utilized by leaders in this administration to put the farmer on a flexible, slip-and-slide support program has been vicious. It was deliberately designed to weaken confidence of consumers in the sincerity of farmers and their willingness to play fair with consumers. Farmers have been held up to ridicule, likened to price gougers and parasites on the Nation's Treasury. Consumers have been led to believe that the price support program has increased the cost of their market basket. They have been led to believe that farmers were reaping unreasonably high profits and that the invocation of a sliding scale flexible price-support program would reduce costs.

Fortunately, most of the consumers have caught up with this argument. Without burdening the record with statistics which prove the point, it is a well-known fact that although farmers' net income has dropped heavily in the past 2 years, not one dime thereof has shown up to the benefit of the consumer in the cost of his food or clothing.

In the beginning the divide-and-conquer tactics had their effect. They paid dividends toward wrecking the program. In fact, they contributed materially to the success of this administration's effort last year to pass the bill lowering the support price on basics to 82½ percent of parity. But now the consumer has had the time to study and think through the claims of the support price flexers. And he has branded them as utterly false, which they are.

Consumers are buying food today cheaper than ever before. Furthermore, there are less hungry people in the country today than ever before, one of the reasons being that food is cheaper and more abundant. Here are the facts to prove it.

Figures prepared by the Department of Agriculture show that in 1929 the average factory worker could buy 6.4 pounds of bread with an hour's wages. Today the average hour's wage will buy 10.3 pounds.

The average hour's wage would buy 1 pound of butter in 1929 and 2.6 pounds today; 3.9 quarts of milk in 1929 and 7.9 quarts today; 1.4 dozen eggs in 1929 and 2.9 dozen today; 17.7 pounds of potatoes in 1929 and around 30 pounds today; 4.4 No. 2 cans of tomatoes in 1929 and 10.3 cans today; 1.2 pounds of round steak in 1929 and 2 pounds today, and so on down the list.

At this time a 1-pound loaf of bread, by Government figures, sells at an average of 17.5 cents. The farmer gets only 2.8 cents for the wheat that goes into the loaf. In January 1948 the farm price of wheat reached a peak of \$2.81 per bushel and the average price of bread was 13.8 cents a loaf. In 1954 the farm price of wheat dropped as low as \$1.91 per bushel, yet the average price of bread was then 17 cents. Thus, while the price of wheat declined 32 percent, the price of bread advanced 23 percent.

A \$4 dress shirt contains less than 30 cents worth of cotton.

The farmer receives now only 42 cents of each dollar the consumer pays for food.

So, it is not true that the price-support program has made costs high to the consumer. Even when the Secretary dropped the support price on milk from 90 to 75 percent of parity no noticeable difference in the price followed to consumers.

## PURCHASING POWER OF FARMERS

With the exception of farmers, the purchasing power of almost every segment of our economy is either stabilized or on the upgrade while farmers are feeling the pinch. This was graphically portrayed in a recent edition of the U. S. News & World Report. Therein was displayed a table which showed net weekly earnings or weekly buying power of 20 leading classes of employed people in the United States in 1950, 1954, and their estimated income for 1955. Here are the figures for 10 of the most important of these occupations:

|                                       | Buying power in 1950 | Buying power in 1954 | Estimated 1955 buying power |
|---------------------------------------|----------------------|----------------------|-----------------------------|
| Average factory worker.....           | \$57.19              | \$59.70              | \$61.37                     |
| Auto worker.....                      | 69.01                | 71.54                | 72.84                       |
| Steelworker.....                      | 64.18                | 68.14                | 71.32                       |
| Soft-coal miner.....                  | 66.44                | 66.84                | 69.26                       |
| Machinery-manufacturing employee..... | 63.92                | 67.15                | 67.82                       |
| Farm-implement worker.....            | 61.61                | 64.36                | 65.50                       |
| Railroad worker.....                  | 58.16                | 62.27                | 64.41                       |
| Schoolteacher.....                    | 56.63                | 61.28                | 64.25                       |
| Federal employee.....                 | 60.74                | 60.87                | 63.60                       |
| Farm owner.....                       | 42.10                | 39.52                | 37.24                       |

What are the two most remarkable things developed by these statistics?

First. For all of the above occupations, income increased from 1953 to 1954—with one exception, farmers.

Second. For all occupations, income is expected to increase in 1955 with only one exception. What is that exception? Again, farmers, who during this administration have become the "low man on the totem pole."

Still, the agricultural leaders of this administration contend that "We"—meaning farmers—"are moving in the right direction." If the "right direction" is downward, then the farmer is certainly moving that way. And, unfortunately, the program of the flexers is to expedite the move by dropping supports this year to 82½ percent of parity and next year to 75 percent, which, according to all accepted standards, is 75 percent of a fair price.

## CAMPAIGN PROMISES OF 1952

I think it is quite appropriate right here to go back and review the promises of the Republican Party and its candidate for President in 1952.

Republicans during their 1952 campaign made no mention of sliding scale, flexible, or variable price supports. They would not have dared to do so. In fact, they led our farmers to believe that they were not only for the 90-percent support program but might go the Democrats 10 percent better and make it 100-percent supports.

## THE GOLDEN PROMISE

Let us see now where Candidate Eisenhower stood less than 2 years ago.

On a fall day in Kasson, Minn., he took the farm program right out of the campaign with his golden promise and here are his exact words:

Here and now, without any "ifs" or "buts" I say to you and I stand behind—and the Republican Party stands behind—the amendment to the basic farm act to continue through 1954 the price supports on basic commodities at 90 percent of parity.

I firmly believe that agriculture is entitled to a fair full share of the national income. A fair share is not merely 90 percent of parity—but full parity.

Now, I leave it to you, Members of the House, what impression did candidate Eisenhower leave? What impression did he intend to leave? Do you suppose a single farmer who heard that speech once interpreted it to mean that Ike was going to reduce the price supports to 75 percent of parity? Do you once suppose any farmer who heard the speech or read it ever dreamed that Ike was going to sponsor and impress upon him a sliding scale of price supports, which slides only one way, downhill, to 75 percent of a fair price?

The famous Eisenhower speech at Kasson, opening the farm campaign, did not promise flatly the continuation of 90 percent supports after 1954, but first, it used every conceivable oratorical device to give that false impression; second, it made no mention of sliding scale or flexible supports thereafter; and, third, the candidate was accompanied on the plane trip to that historic occasion by the Honorable CLIFFORD HOPE, chairman of our House Committee on Agriculture, and long-time advocate of price supports which really support prices.

For these various reasons, the press and radio of the country were completely misled, a condition in which they remained throughout the campaign. The following collection of headlines which were used by leading newspapers on page 1 in reporting General Eisenhower's Kasson speech makes this obvious:

"Ike Promises To Work for 100 Percent Farm Parity." (Milwaukee Journal, September 6, 1952.)

"Ike's Goal 100 Percent Farm Parity—Eisenhower Guarantees High Prices." (The Telegraph-Herald, Dubuque, Iowa, September 7.)

"Eisenhower Calls for 100 Percent of Parity." (The Minneapolis Star, September 6.)

"Ike Favors More Farm Props and 100 Percent Parity." (The Indianapolis News, September 6.)

"Eisenhower Promises Farmers He's Behind Full Parity for Them." (The Lincoln Evening Journal, September 6.)

"Ike Calls for Full Parity on Farm Products." (Madison Capital Times, September 6.)

"Ike Would Up Farm Income." (Milwaukee Sentinel, September 7.)

"Eisenhower Pledges Full Parity Try." (Wisconsin State Journal, Madison, September 7.)

"Ike Offers Plan for Farm Price Boost." (Des Moines Register, September 6.)

"Ike, Adlai Bid for Farm Vote—Both Promise To Continue 90 Percent Support." (Des Moines Register, September 7.)



"Eisenhower Bid for Farm Votes—Tells His Plan for Full Parity." (Illinois State Register, Springfield, September 7.)

"General Backs 100 Percent Parity Price." (Bismarck, N. Dak.) Tribune, September 6.)

"The Down Line on Parity Laws." (Wichita Eagle, September 7.)

"General Pledges Price Aid." (St. Paul Dispatch, September 7.)

"Both Ike and Adlai Endorse 90 Percent Farm Supports." (Minneapolis Tribune, September 7.)

After Kasson, there were daily opportunities, of course, to correct the widely-held false impression before farmers relied on it and voted accordingly. And most certainly, General Eisenhower could have declared himself at any time in favor of flexible price supports for after 1954, if he had believed in them and wanted to do so. But we can find no record of his having mentioned the word "flexible" or any of its synonyms during the entire campaign.

But, Candidate Eisenhower did not either start or stop promising in Kasson. In fact, prior to the Kasson speech, to be exact, on September 30, 1952, when he appeared in Columbia, S. C., he said:

I believe wholeheartedly and without any "ifs" or "buts" in Federal programs to stabilize farm prices including the present program insuring 90 percent of parity on all basic commodities.

Search this statement closely. Determine for yourself what impression he intended to and did leave with his listeners. He solemnly planted himself upon the program of 90 percent of parity. He was speaking in a cotton producing State. He wanted their votes. When the returns were in he had come very close to carrying South Carolina, a State which has never before given a Republican candidate even as much as 10 percent of its vote. With the cotton South listening to this speech and believing Ike believed in their program, he did carry several cotton States. Now what is to be the reward of South Carolina and other cotton farmers who heard the speech and voted for him on the strength of it? Cheap cotton, lower income, and a lower standard of living—a poor reward indeed.

Candidate Eisenhower chose an appearance at Brookings, S. Dak., October 4, to summarize his farm views—1 month after the more famous Kasson speech. This time, there was no small print as you will see from this paragraph dealing with price supports:

Quite naturally, in a great region such as this there is more of a special interest in agriculture than there is in some of our other economic forms of life. I have in a number of texts during this campaign tried to outline the specific position of the Republican Party and my own personal convictions about agriculture. At Kasson, in Minnesota, some weeks back, later in Omaha, and in a number of so-called back platform speeches I have tried to make my position clear. The Republican Party is pledged to the sustaining of the 90 percent parity price support and it is pledged even more than that to helping the farmer obtain his full parity, 100 percent, with the guaranty in the price supports of 90.

Now, did he mean what he said? If not, these quotes will come back to haunt him the rest of his political life. Actually, farmers believed what he said.

These emphatic endorsements of the present farm program "without any 'ifs' or 'buts'" actually took the farm issue out of the campaign and resulted in overwhelming Republican victories throughout the Farm Belt. Now that they have won the elections, hold the offices and run the Government, they offer farmers a sliding scale which slides one way only—downhill. How different from the promises of the Republican candidates of 1952.

#### NO ONE BEING FOOLED

But, Mr. Chairman, no one is being fooled. The people are alert to what is going on. They remember what was said in 1952 and who said it. As evidence hereof let me read two editorials which appeared in midwestern newspapers. The editorial from the Argus Leader, of Sioux Falls, S. Dak., reads as follows:

Back in 1952, Candidate Eisenhower made several speeches in the farm regions. Candidate Stevenson of the Democrats was advocating a system of fixed price supports at 90 percent of parity. Candidate Eisenhower matched this and even went so far as to say that the objective should be 100 percent of parity.

Particularly at Brookings—the speech of primary interest to this area—pledged himself to a full support of the fixed price program.

So the House Agriculture Committee, in voting for a bill continuing fixed price supports, did only what Candidate Eisenhower promised the farmers in the campaign of 1952 that he would do.

These are the blunt facts and there's little purpose, politically or otherwise, in ignoring them.

The Republican Party and its candidate for the Presidency went on record in 1952, when they were trying to get the votes of the farmers, in favor of fixed price supports.

Are the farmers to believe now that the Republicans say one thing during a campaign and do something else after they have been elected? Apparently the House Agriculture Committee is ready to respect the campaign pledge. President Eisenhower should be induced to do likewise.

The editorial from a newspaper published in Hayti, S. Dak., offers even more food for thought—Republican thought, that is. It follows:

President Eisenhower and sympathetic administration leaders worry about the adverse effect of the McCarthy Investigations on the GOP, when they should be worrying more about the effect of the betrayal of campaign promises on the farm price issue. At the moment Agriculture Secretary Benson is reported considering urging a veto if fixed price supports pass Congress, which they appear likely to do. If that transpires, after all the fulsome promises of 90 percent and 100 percent parity pledges by the President as a candidate at Kasson, Minn., and at Brookings, the GOP can just about kiss the farm vote goodbye. Even as matters stand, it hangs by a thread, farm voters in general standing by in a wait-and-see frame of mind. Rightly or wrongly, farmers were assured in the election campaign that they would never be let down by the administration, and that promise, or at least a reasonable facsimile, should be kept.

Now, it is not pleasant, Mr. Chairman, to bring criticism on anyone but the facts remain that farmers are not getting from this administration that which was promised them in 1952. I trust that administration leaders will reverse them-

selves and turn back to their commitments.

#### NO LESS FREEDOM IN FLEXIBLE SUPPORTS

Secretary Benson and other flexible advocates contend that flexible supports mean less controls and more freedom for farmers. This is a fallacy.

The same machinery for production adjustments must be used with either 90 percent or flexible price supports in effect, unless prices are allowed to drop so low that farmers are squeezed so hard they are unable to get credit or other resources needed to continue producing a crop. Present law, with the flexible supports approved in the Agricultural Act of 1954, requires exactly the same controls that were used under the fixed 90 percent supports for the basic crops. The Secretary of Agriculture has asked for no easing of his control powers but, in fact, has sought the authority to impose in connection with the flexible support program the tightest controls in the history of the farm program, through cross compliance and control over the use of acres diverted from the basic crops.

#### SURPLUSES

It is also a fallacy that the 90-percent support on basic crops is primarily responsible for the accumulation of existing surpluses and that the flexible would of itself discourage production and solve the surplus problem.

The large stores of food and fiber, which have brought the great economic problems to our farmers, were created not from the 90-percent supports on the basic crops, or from any fault of the farmer, but derive primarily from the vast expansion of our agricultural output in response to Government appeals for ever-increasing production of food and fiber during World War II, and later to meet foreign obligations and the needs anticipated in connection with the Korean conflict.

The output of food and fiber attained a rate more than 40 percent above pre-war levels.

A recent decline in farm exports, plus the fact that agricultural production cannot be cut off instantly, plus the decision of the Government to continue production at a high level during the Korean war, have brought on the accumulation of food and fiber in our warehouses in the last 3 years.

As to the contention that lower levels of price support, down to 75 percent on the basics, would discourage production and help solve the surplus problem, information given the committee indicates the contrary is true—that with all farm products in ample supply, farmers as long as they are economically able will maintain or increase their production in an effort to protect their income in the face of falling prices. There is no reason to believe that our surplus problem would be any less had flexible supports been in effect since 1952.

While these and other fallacies have led to wide misunderstanding by city people, and among farmers themselves, they have not obscured the issue that is presented to the Congress.

The decision to be made is whether we force the farmers of America to bear large and unnecessary costs in adjust-



ing our production of food and fiber, with the risk of damage to our whole economy; or whether we accept abundance as a blessing, with its problems to be shared by all the people in a program that seeks economic equality for agriculture and maintains a solid foundation for the well-being and prosperity of all segments of our society.

#### CONCLUSION

Fortunately, we have the most productive agriculture in the world. Our people are the best fed and the best clothed. We have an abundance of food of the widest variety, the best quality and actually the cheapest. Our farmers have made American agriculture the envy of the civilized world.

Our abundant production is a blessing, not a burden. Russia today with more land and more farmers is unable to feed and clothe its people adequately. As late as the last few weeks, reports have come through that they might send a delegation to America to see and learn how our farmers do such a good job. When and if they do come and observe the wonderful accomplishments of our farm people, would you not drop your head in shame if they were shown the figures revealing that the average annual income of people living on our farms from farm sources is only \$658, just about one-third of the annual per capita income of all nonfarmers? Would it not also be more shameful to admit that it will, in all probability, be less this year? And, would it not be even more shameful to admit that we are going to permit a program to come into effect next year—a slide to 75 percent of parity—that will lower it even more?

We have established 100-percent parity as a fair price for our farmers. That should be the minimum, not the maximum. Actually, we should not be content with anything less. The President himself, as a candidate, contended that he would not be satisfied with farmers getting less and he promised to get it. I just wish that he and his agricultural leaders would devote their efforts toward the attainment of such a goal. They forgot so soon after winning the election.

Agriculture is indispensable. There are some things we can do without, but farming is not one of them. People must have food. They must have clothes. Every one of us is dependent upon the land. Its production is essential to a strong healthy nation. Those who till the land must be assured of at least the cost of production plus a fair profit if they are to remain there. The bill before you will keep them there. In turn it will benefit us all.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. DIXON].

(Mr. DIXON asked and was given permission to revise and extend his remarks.)

Mr. DIXON. Mr. Chairman, experience has proved that rigid 90-percent price supports have been a failure as a peacetime program. H. R. 12 seeks to reenact a farm program which defeats

its own ends and which hurts the very people it pretends to help. In my opinion, further extension of high-rigid supports threatens a major collapse of the whole farm program.

We must remember that the American economy is still based upon supply and demand. Any further attempt to build an artificial wall around agriculture—separating it from natural economic forces—will be tantamount to inviting those forces to act as did the trumpets of the Israelites which worked upon the walls of Jericho until they fell down flat. The alarming developments in farm surpluses signal that we are in the crescendo stage.

I am as anxious to prevent this breakdown as are the majority members of my colleagues on the Agriculture Committee who seek 90 percent of parity, but we differ sharply on the means of preventing such a collapse. Let us then briefly examine the latest results of the system of high supports.

Every dollar of loss in farm income on the basic crops is a loss under the high, rigid, 90 percent price support program which H. R. 12 is designed to perpetuate. The Secretary of Agriculture says not one bale of cotton, not one bushel of wheat, not one hundredweight of rice has been sold or stored under the flexible price support program. High, rigid price supports are the major cause of the 25 percent decline in farm income since 1947. They obviously, therefore, cannot be the cure for the decline in farm income.

The price system is a balance wheel between supply and demand. Destruction of such a balance brings about chaos. The function of price supports is to adjust production to what the market wants, to adjust consumption to what is produced, and to bring about orderly marketing. The abuse of price supports is to destroy the balance between supply and demand by making the Government the bottomless stomach of American agriculture. We see clearly the results of this abuse today under 90 percent rigid supports.

#### THE ALARMING ACCUMULATION OF SURPLUSES

The rate at which surpluses of basic commodities are moving into Government hands is alarming.

If mandatory rigid price supports at 90 percent were the answer, there would be no problem of surpluses. At the present time, however, the surplus problem is grave. For example, there are 2 bushels of wheat in sight for every bushel that is needed; the carryover is 975 million bushels, and the new wheat crop is estimated at 850 million bushels, which makes a total of 1,825,000,000 bushels. Let us examine wheat production further:

First. Data as of February 15, 1955, show that 43.8 percent of the 1954 wheat crop had been placed under loan.

Second. A large part of the wheat which is now being produced is not the type that the mills prefer, while other types are in short supply. This stimulation of peripheral production points up further the extent to which rigid supports permit flaunting of natural market forces. Not only does the omni-

present stomach of the Government permit overproduction, it also permits the grower to ignore normal demands of quality.

Third. Out of 425 million bushels upon which the Government made loans and purchase agreements for the 1954 crop, only 16 million bushels had been redeemed by February 15, 1955.

Fourth. The carryover of wheat has skyrocketed during the last 3 years from 256 million bushels in 1952 to 903 million bushels in 1954.

The carryover of cotton, August 1, 1954, was 9.7 million bales, which makes a total supply of 23,200,000 bales. This is enough cotton to meet our domestic needs and exports for the next 1¾ years.

The carryover of rice is also a matter of grave concern. Last August it was 7½ million hundredweight, while the 1954 crop was 59 million hundredweight. This gives a total of 66½ million hundredweight, or a supply for 1½ years. According to the Joint Economic Report, 51 percent of the entire 1954 rice crop was under the price-support loan.

It is becoming increasingly obvious, therefore, that under high rigid price supports in times of peace, the Government becomes the consumer. This I maintain is an abortion of the legitimate and commendable purposes of price supports, and this is another striking example of how governmental functions tend to persist long after the purpose for which they were created has disappeared.

#### THE COST OF RIGID PRICE SUPPORT PROGRAMS

We have seen that the piling up of huge surpluses in Government hands is the first threat to the whole farm program. The second and equally important threat to the program is the skyrocketing of costs under high support prices.

The first cost is to the farmer in the form of loss of farm income previously noted. The second cost comes in the form of higher taxes and greater deficits under which all suffer.

The majority report on H. R. 12 minimizes the cost to the Treasury of this program. I quote from this report, pages 15 and 16:

Those who seek to break down the firm 90-percent supports for these crops have given our citizens the erroneous impression that the firm supports have cost the Nation billions of dollars.

The truth is that the Commodity Credit Corporation by its own records of December 31, 1954, showed a profit to the Government of \$13,011,290. On December 31, 1954, losses on the CCC support program for the basic crops amounted to \$300,109,993, largely the result of overproduction for anticipated needs in connection with the Korean conflict.

Much to my regret and disappointment our Committee on Agriculture has made public in this Report No. 203 written in defense of H. R. 12, two important inferences, both of which are misleading.

The first misleading inference is that the recorded CCC losses of \$300,109,993 are the only losses incurred by the Federal Government in its program of price income supports on basic commodities.

The CCC is a great funnel through which billions of Government dollars



are siphoned out of the United States Treasury. Losses are chargeable in the main to other accounts and do not stay on the CCC books. To infer that the recorded CCC losses are the only losses incurred is just as justifiable as holding up a funnel to the light and saying, "It's empty. Nothing has gone through it."

And the second misleading inference is the statement that the program has not cost the Nation billions of dollars.

When I challenged these assertions in the committee hearings, I received permission for the Secretary of Agriculture to insert in the record a complete cost statement. He reports:

The aggregate realized cost of these programs for the period from 1932 through 1954 was \$8,369,200,000 of which \$962,500,000 represents costs realized in the fiscal year ending June 30, 1954. The costs of 1954 were almost three times those realized during the fiscal year of 1953.

The Secretary's report does not include the so-called consumer subsidy programs during World War II and the early postwar years, which cost the Federal Government \$4¼ billion. This amount constituted income to farmers which they otherwise would not have received. Since most other industries did not get such subsidies, because it would obviously have rendered OPA price ceilings meaningless, these programs were farmer subsidies and not really consumer subsidy programs. Add to this \$4,245,000,000 the cost figure published by the Department of \$8,369,200,000 and the cost would be \$12,614,600,000.

Even this, however, is not the total cost of the farm price and income support program. It does not include the payments made to sugar programs and administrative costs amounting to \$905 million. It is true that processing and excise taxes collected on the processing and importation of sugar amounted to \$1,216,400 but this money is deposited by the Collector of Internal Revenue in the general moneys of the Treasury. It is not earmarked for payment to growers and undoubtedly would have been collected independently of any support prices. Payments to growers are made by the Department of Agriculture from appropriations made annually by the Congress to deduct from the tax and excise receipts the payments made to growers and thereby claim that the sugar program has made a profit. This type of analysis serves to hide the cost of the program from the public.

Actually the total net realized cost of farm price and income support programs to the American taxpayer and consumer is not \$8,369,200,000 but \$13,520,200,000.

The Commodity Stabilization Service of ADA reports under date of April 15, 1955, that the CCC investment of \$7.4 billion in surplus commodities has a present value of \$3,973,552,000, indicating that unless war or something unforeseen happens losses of this amount will be added to the \$13.5 billion figure.

The Department of Agriculture charges the basic commodities with net determined losses of \$5,077,100,000 as follows:

|              |                    |
|--------------|--------------------|
| Corn.....    | \$1, 228, 200, 000 |
| Cotton.....  | 1, 581, 400, 000   |
| Peanuts..... | 163, 000, 000      |
| Rice.....    | 35, 300, 000       |
| Tobacco..... | 97, 000, 000       |
| Wheat.....   | 1, 972, 200, 000   |
| Total.....   | 5, 077, 100, 000   |

These are the realized costs of the basic commodities under high rigid price supports and, contrary to the majority committee report, they do run into the billions of dollars and the end is not yet in sight, because the trend is radically upward, as revealed by the fact that losses in 1954 were three times those realized in 1953. Storage costs alone will run \$1 million every single day, by June 1.

Therefore, the advocates of high supports do their cause a disservice when they issue misleading claims regarding the cost of the program. Such practices are unfair to those who try to search out the results of the program. In fact, the best way I can describe the misleading tactics of some supporters of 90 percent of parity is to make them analagous to a strategy used by German subs in World War II. When our destroyers tried to search out the subs by radar they would often be thrown off the track by unwittingly tracking a bubble of air which the subs would emit to mislead the destroyer's radar. The German word to describe this clever tactic is pillenwerfer or pill throwing. Fortunately, like our radar men, the American people have learned to distinguish between fact and fancy.

Thirteen and one-half billion dollars is a tremendous sum of money. Yet an expenditure that large would be fully justified if it would stabilize prices and cure the farmers' ills. But instead of solving the farmers' problem, high, rigid support prices have well nigh ruined him. It takes far wealthier and wiser people than we are to nullify the law of supply and demand, or to continue over a period of time to produce more than can be consumed and at the same time sell the products at high prices.

#### HIGH PRICE SUPPORTS ARE ANTAGONIZING THE PUBLIC

During the past year there has been a transformation in the attitude of the populace toward high, rigid price and income supports in times of peace. The tide of public opinion has already turned against them.

The reasons for this growing hostility toward high, rigid price supports in times of peace are many. There is time in this speech to mention only a few. First among these as we have seen is the fact that surpluses are mounting at an alarming rate under high-support prices. This will cause the program to fall of its own weight just as the experiment with high supports on potatoes did.

Second. The losses and costs to the farmer, the taxpayer, and the public under 90-percent support prices shot up to dizzy heights. Losses within the near future as a result of high supports bid well to be even heavier. The farmer, the taxpayer, and the consuming public will not endure these costs much longer.

Third. These losses have been minimized by statistical juggling, but the

truth will come out and when it is fully understood opposition will increase.

Fourth. We are learning that these high supports are not helping the people whom we want to help most. As President Eisenhower pointed out in his special farm message to Congress, January 11, 1954:

The chief beneficiaries of our price-support policies have been the 2 million larger, highly mechanized farming units which produce about 85 percent of our agricultural output. The individual production of the remaining farms, numbering about 3,500,000, is so small that the farmer derives little benefit from price supports.

Fifth. High rigid supports on basic crops effect adversely the growers of nonsupport crops and discriminate against these growers. For example artificially stimulated feed grains react unfavorably on the poultry industry. It is also an injustice to spend such large sums in the support of prices on basic crops which produce only 22 percent of the farm income, and at the same time provide no high support prices on the products of the other 78 percent of our farm income. There is growing opposition to these forms of unfair discrimination.

Sixth. There is growing antagonism among farmers themselves because high prices are of little value to the man who has little or nothing to sell due to drastic reductions in acreage allotments which must accompany high support prices.

Seventh. There is growing resentment toward the waste that comes from artificially stimulating the production of commodities which the public will not buy and constantly directing new capital into channels where there is already too much capital invested. This threatens with insolvency the farmers who own the present investment.

To continue to attract by incentive payments more production capital into farming than it needs is a sin. It is not the kind of treatment which our regular farmers—I exclude here the suitcase farmers—deserve as a reward for their patriotic services during the war.

Eighth. There is growing antagonism because high price supports are pricing our commodities out of the foreign markets to the extent that foreign countries are being required to raise their own products and will not need ours in the future. The permanent loss of foreign markets is proving to be a staggering blow to our farmers.

#### LOSS OF MARKETS

Ninth. Nonsupported commodities have fared much better than the supported basic commodities in every year except one. In spite of the depression in poultry and eggs last year, the producers would not hear of price supports. They are working themselves out very nicely.

Take the potato situation as a second example. In 1948 when the support price was 90 percent the market was glutted, the Government lost \$223 million, the farmers received \$1.52 per bushel, and the last 5 years under price controls they received an average of \$1.35. During the years 1951 to 1955



under no price supports, the farmers have averaged \$1.59 per bushel; they have limited their production to the amount that can be consumed; there are no surpluses in Government hands and no losses to the taxpayer. Potato growers have testified before Congress that they could not be induced to return to 90 percent supports.

Flexible supports will stabilize the dairy industry if we will only give them some time and a fair chance. In February of this year the householders bought 20 percent more butter than they did in February of 1954. The use of butter in the United States under 90 percent parity was 8.5 pounds per person, while the use in 1955 under flexible supports will be about 9.3 pounds per person. The industry is upon its feet courageously fighting to get its markets back and it is succeeding. It was rapidly losing its markets under 90 percent rigid supports. It is recovering its markets partly because butter has dropped 9 cents per pound to the housewife, and partly on account of a vigorous sales campaign.

The same encouraging trend prevails with respect to fluid milk. In most areas the price has dropped from 1 to 3 cents per quart; more fluid milk is being consumed and much less is going into butter and cheese. Consumption of all dairy products has jumped a remarkable 4 billion pounds and the amount going into Government purchase has been cut almost in half since 90 percent supports were abandoned.

It is true that the producer receives 31 cents less per hundred pounds of milk than under the previous 90 percent supports. This is equal to a drop of about 7 cents per pound of butter; yet, the drop in the price of butter to the housewife has been 9 cents per pound and drop in price of milk has been in the main 1 cent to 3 cents per quart. I am firmly convinced that this loss of 31 cents per hundred pounds of milk to the producer is in the long run not a loss but a good investment because he is recovering his markets and thereby preventing a complete breakdown of his industry.

In the spring of 1952, when hog prices fell to 76 percent of parity, speeches were made in both the House and Senate urging 90 percent price supports on hogs. Had this happened we would have raised more pigs, consumers would have eaten less pork, and large stocks of pork would have flowed into Government hands. If 90 percent supports had been enacted we would have created more problems than we would have solved. We didn't enact 90 percent supports and what happened? Consumers, attracted by lower prices, ate up the surpluses. Per capita consumption of pork increased from 55 to 76 pounds. Producers cut production of pigs 10 percent and prices went up from 105 to 120 percent of parity and stayed there for 2 years. Despite a little current weakness, largely due to unwarranted imports of pork, we have met the pig problem. If imports of pork into our country are curbed, the industry can meet the challenge of the marketplace without high supports.

These are only a few comparisons which show the obvious advantages of flexibility in supports.

What annoys the farmers in my State is the accusations that he is asking for and receiving a "handout from the Government," whereas on the contrary, he is begging us to give the farms back to the farmers and to take agriculture out of politics. He is sick of Federal control and more Federal laws, and especially projected plans which switch back and forth so he never knows where he stands or what to plan.

To summarize, then, we have seen, first, that the misuse of price supports to stimulate unwanted production and to force nearly 50 percent of our basic crops into Government storage is an abortion of the legitimate and commendable purpose of price supports and will ruin our economy if continued; second, that losses under the 90 percent rigid supports have skyrocketed to the extent that they threaten the whole agricultural program; third, that the American consumer, the taxpayer and the farmers themselves resent this plan to subsidize waste and to discriminate in favor of the basic crops when it is becoming increasingly obvious that the nonsupported commodities and those now under flexible supports are and will be better off than the basic crops which have received 90 percent rigid support prices; and, fourth, that to continue to attempt to build up high artificial walls around agriculture is futile and will cause the program to fall of its own weight.

The piling up of more mountains of surpluses and the wasting of more billions of dollars will not solve the farmers' problem; it will merely postpone a day of reckoning and sentence him to become more and more dependent upon the whims of legislation. There is no better time to face reality than now. We must be strong enough to choose the right way even though it be the hard way.

Mr. Chairman, the American farmer's best defense against economic falacy, loss of income and the creeping controls of statism lies in the principles advocated by our great Secretary of Agriculture, Ezra Taft Benson. I urge my colleagues to defeat H. R. 12 in order that those principles may be allowed to operate.

Mr. JENNINGS. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Chairman, the gentleman who just finished speaking down here at this microphone is bothered apparently a lot by subsidies. I am not going to argue whether subsidies are right or wrong or whether they are justified or not justified. I want to examine this subsidy proposition for a few minutes. For the past 150 years American business and industry have enjoyed a relatively high protective tariff. When foreign goods were produced and shipped to this country to compete with our manufacturers, a tariff was levied on those goods in order that American manufacturers could still sell their goods

a little cheaper than their foreign competitors. In recent years we passed a minimum wage law. We have protected labor in its right to collective bargaining. This was good, as a result, it has continued to raise our standard of living until today we enjoy a higher standard of living than any Nation in the world. Yet, during all the history of America except the last 22 years, the farmer has had no protection. But at all other times, while he bought in a protected market, he sold in an unprotected market. The only reason he was able to survive for such a long period was due to the fact that he was mining the virgin fertility out of his land and selling it and not returning the plant food to the soil. Finally, the result became chaos for the American farmer in the early thirties and was immediately followed by chaos for the entire economy of the country. For the past 20 years, the farmer has had protection for many of his major crops and you all know he has and is receiving much unfavorable publicity. Far and wide through the press and over the radio and from speakers' platforms we hear about the high subsidies that the farmer is receiving. It has been said that the farmers are on a dole and they are sacrificing their liberties for a few paltry dollars and so forth. We have had farm price supports for about 18 years. What has been the actual cost of this price support program to the Federal Government? I am speaking of price supports of our basic commodities. The Bureau of Agricultural Economics sets an overall figure of \$1.3 billion for a 20-year period—or slightly over \$72 million a year, and if you care to divide the yearly cost by the present population, you will find it has cost about 50 cents per person per year to support farm prices on our basic commodities.

Now let us look at some of the subsidies that Uncle Sam has been paying and about which you hear nothing. The postal deficit has been running about \$500 million per year over a 5- or 6-year period. Remember that first-class mail and parcel post are in the black. But this half-billion-dollar deficit comes about because Uncle Sam is delivering catalogs, magazines, and advertising matter for \$500 million less than it costs to deliver them. I would consider that a subsidy. The subsidy to our airlines has been running about \$80 million a year; that is considerably more than the price supports on our basic commodities has been costing.

The oil, gas, and mining industry has been and still is receiving a depletion allowance running as high as 27½ percent of their gross earnings, while the farmer is receiving no depletion allowance on the soil that he is wearing out in the process of feeding and clothing this Nation.

In the shipping industry we have two kinds of subsidies. The first is a construction subsidy. The Government helps to build the ships. Then we have the operating subsidy to enable the owners to operate the ships which the Government helped them to build. Now, I am not criticizing; I am just stating the



facts. This shipping subsidy has been costing the Government a construction subsidy of \$40 million yearly, and an operating subsidy of \$48 million, or a total of \$88 million per year to the shipping industry.

Now let us see what subsidies have been paid to business and industry. I am going to quote:

Business as such was paid \$40,787,864,000 following the end of World War II, in what was known as industrial-reconversion payments, including tax amortization.

This quotation is from a speech by Mr. H. CARL ANDERSEN, ranking minority member of the Appropriations Subcommittee on Agriculture. First the Government paid industry \$14 billion to change from peacetime to wartime goods; then as soon as the war was over, they were paid another \$40 billion to change back again. This industrial conversion and reconversion program alone cost the people of the United States of America a grand total of \$54 billion, while farm-price supports were costing only \$72 million per year, or 50 cents per capita per year. This included tax and plant amortization.

Again, I am not criticizing. Perhaps all this vast subsidy was justified in the interest of national defense, but why do so many people try to make the farmer the only villain in the United States who has or ever did receive a subsidy?

Now, last but by no means least, consider what has been done in the past with the land itself. There is roughly 462 million tillable acres of land in the United States, and between 1850 and 1890, 183 million of those acres were given to the railroads. You can call it a gift, a subsidy, a construction incentive, or what you will, but the fact remains, the Federal Government gave more than one-third of all the farm land in the United States to the railroads. It has been estimated by economists that this land was worth \$1.3 billion at the time it was given to the railroads, and I think that estimate is very conservative.

We have been giving away \$5 billion per year in foreign aid. Now, if you apply a little simple arithmetic to the above, you will find the American farmer has received about 50 cents out of each \$100 that the Federal Government has paid in subsidies; and gentlemen come to this microphone and complain about that.

This very same House that this year voted a raise for themselves and for Federal judges and postal employees, and probably will vote to raise the minimum wage and now try to take away from the American farmer his price supports. That is like going to a man with a broken leg and offering him a rubber crutch. It is like building a home on a flexible foundation. I do not like these flexible things. They all end in bankruptcy.

When industry is ready to have the protective tariff repealed and quit asking the Government for reconversion payments and tax writeoffs, when shipping is ready to compete with the ship lines of the world without Government aid, when magazines, catalog houses, and advertisers are ready to pay as much

postage as it costs the Government to deliver their mail, when air lines are ready to operate on their own, without Government help, when the oil industry is ready to forego its depletion allowance, then, and not until then, will I be ready to farm without 90 percent price supports. The American farmer can compete in a free economy if the entire economy is free, but when he is forced to buy the goods and services of a protected economy and sell his food and fiber in a free market, unless he has adequate price supports he is doomed to bankruptcy, and will in the end drag every other segment of the Nation down with him to depression and ruin.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I rise in support of H. R. 12.

I am in the rather novel position of being a farmer instead of just representing a lot of farmers; I am both. I am not naive enough to think that either 90 percent of parity or H. R. 12 can solve all the farm problems, but I do believe it will afford some temporary stabilization to our agricultural economy.

Mr. Chairman, I can agree with some statements and conclusions made by the proponents of flexible price supports here today—especially those relative to dairy products. As in the case of all commodities, if there is a potential customer, there is always a potential chance to make an additional sale at an accepted or available price level providing, of course, the commodity is also of acceptable quality. We all know there is still a segment of our population that could and would like to absorb more dairy products, and this group represents potential customers. In this connection, however, in calculating the increase in fluid milk consumption in the recent year we must take into account Federal appropriations for the school lunch program. From these Federal appropriations, in my opinion, the dairy industry has been one of the principal benefactors. This could be interpreted as an indirect support.

The case of wheat is entirely different as there is not a market, domestic at least, that has not been saturated. If wheat were given away for food purposes I doubt if it would increase the consumption measurably. Therefore, we must accept acreage controls to maintain any supported price comparable to parity. I am willing to concede, to be fair, that reestablishing 90 percent of parity is not going to solve the overall problem but I cannot see that it will aggravate it. In the meantime it will afford a small degree of relief to the cost-price squeeze that has overtaken the average farmer. This cost-price squeeze has been brought about primarily through the reduction of allotted acres rather than lower parity but the combination of the two has placed this same average farmer in most unfortunate circumstances. I do believe that a variable support price regulated by the milling quality of the wheat produced would be a highly desirable formula. However, the administration of such a practice is complicated to the extent that I question how it could operate.

I repeat, Mr. Chairman, that I do not propose that returning to 90 percent of parity will solve the farm problem. I do feel, however, it is the best possible way now available to help stabilize our faltering agricultural economy. I am of the opinion that over a period of years direct commodity support should be replaced with an expanded soil conservation program under which a farmer could earn income for permanent soil building practices in lieu of existing commodity support by the Federal Government. This plan would supplement the farmers' income, decrease commodity production and storage problems and at the same time increase the fertility of the soil for food production that will obviously be needed by generations to come. Such a plan would also build safeguards against water and wind erosion problems and to a large extent stabilize our water shortage and flood problems.

Since such a plan has not been pursued in detail I rise in support of H. R. 12, as amended, as the best possible assistance to agriculture at this time.

(Mr. AVERY asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, I was born and reared on a farm, and all of my life has been spent in a rural section.

Under the 90 percent parity formula for the 6 basic crops I have seen the economy of the American farmer develop and to some extent, prosper. I use the word "prosper" advisedly. I do not mean that our farmers have prospered in any way comparable to other businesses in America. I only mean that under the 90 percent of parity law they have improved their lot as against the era when they were fortunate to have a home of any kind, and have some clothes, though they abounded in patches, and to have even these things it was necessary to keep the children out of school so that they could help with the farming operations.

Even under the 90 percent parity provision we have had, we now have approximately 1,250,000 farmers who earn less than \$1,500 a year. We must all concede that only in the agricultural field do we find this condition to be true.

The Democrats and Republicans, and I gladly say it took Members of both parties to pass the 90 percent parity provisions for the 6 basic crops, can look with pride upon the results they accomplished. It would seem there would be no argument over the value and utility of the 90 percent of parity law. Nevertheless, we are now confronted with the question: Will we write a 90-percent parity law for the 6 basic crops, or will we retain the flexible, or sliding scale, provisions?

Today, the farmer's income is lower than since 1940. Agriculture products are down, but the stock market is booming. The House Agriculture Committee, in its report in the 83d Congress—1954—says there was a 13-percent decline in net farm income in the preceeding 2



years, though the rest of the economy soared to new heights. Now, that committee says that farm prices are down on an average of 22 percent since 1952, and that the net income is down 28 percent since 1947, and 10 percent below 1953. That committee, also, says that further declines are scheduled for 1955 and 1956. Despite these facts related, the same committee says that the cost of farming continues to increase and that in the past 5 years there has been a 14 percent increase in prices paid by the farmers.

I view with alarm the terrible fact that the farm mortgage debt has nearly doubled since the end of World War II. I wonder if that fact does not impress every Member of this House? I wonder if we know that the farmers' share in the national income dropped from 9.4 percent in 1951 to 7.2 percent in 1954? If we do, surely we will be willing to set up a rigid 90-percent parity support law for the six basic crops, and thereby try to give the farmer a chance to maintain his farming operations.

Mr. Chairman, we had better seriously consider what the plight of agriculture means. I hope we have not forgotten the 1920's, when an industrial and financial boom hid the wretched and almost naked plight of the farmers. There are 20 million farmers in this country, and there are 30 million people in rural areas who are economically dependent upon the farmer. Further, the economy of our country rises and falls upon the ability of agriculture to buy the goods manufactured in our cities. A prosperous and vigorous agriculture economy is indispensable to this Nation.

There was an extensive drought last year over the Farm Belt. In the section I represent it was the worst in our history. This year we were visited with a freeze which caused incalculable damage. The farmers, losing their crops, were told they could get emergency loans to replant, provided they pay 5-percent interest instead of 3 percent, as had been the case in former years.

Reciprocal trade has weighed against the farmers at times. Just recently, though our peanut farmers made a short crop on account of the drought and thereby the surplus peanuts were used, an appeal to the Tariff Commission resulted in foreign peanuts being allowed to come in to reduce the price of peanuts to our farmers. And we need not be fooled, importation of foreign peanuts will continue unless Congress stops it and Congress had better stop it. The American farmer cannot compete against cheap foreign labor, especially where the American taxpayer has given this foreign competition the seeds, fertilizers, tractors, and experts to teach them how to grow those products.

It is a paradox. We are debating a flexible policy for the farmer, which can only mean that the farmer will receive less for his products. If it did not mean that, then there could be no reason for substituting a flexible price-support program. But, while we are debating what kind of program we will give the farmer, we have considered legislation raising the

salaries of all Government employees, and most everyone else in the country. It is strange that the farmer has been unable to get a recommendation that he be guaranteed 90 percent of parity for his 6 basic crops. Labor realizes the farmers' condition and recommends that farmers receive more for their products, instead of having the prices of their products lowered for they see the danger signals arising from starving agriculture. Further, we have received a recommendation that price-control laws should be set up as a standby for use in emergency periods. This could mean that the farmer must understand that at no time can he expect higher prices for his products.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I want to refer to the last few remarks of the gentleman to the effect that this Congress should recognize something that is happening. That is, the necessity of preventing a further slide of farm prices down below that 86-parity-ratio figure. If we do not do something toward encouraging the feeling throughout the Nation that agricultural commodities should go up in price this Congress, through its inactivity, may be a party to a depression.

Mr. FORRESTER. I thank the gentleman for his contribution. The gentleman is a great friend of the farmers of this country.

Mr. Chairman, yes, our Nation's economy has climbed to a new high, while the farmer's income has fallen to a new low. The small farmer, the backbone of America, is now struggling to stay on his farm and to keep his land. Every year the number of farmers dwindles, and an important part of American life is altered as these farmers are compelled to leave the life they knew and go into new and strange surroundings in the overcrowded cities.

Mr. Chairman, the 90-percent parity support price program is the least we can do for agriculture. I certainly hope that we can pass this bill and that it will become the law or our land again.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, Michigan farmers are opposed to H. R. 12 because it lowers their opportunity to earn a good income. Rigid supports are a failure and Michigan farmers know it. They want to get away from the price-support program that is lowering their income, injuring their markets, and cutting down on their freedom to run their own farms.

Most Michigan farmers are small farmers, by anyone's definition. Many Michigan farmers work in factories part time. Forty-one percent of all farms in Michigan are either residential, part time, or sell less than \$1,200 worth of products off of the farm. This is not net

profit, it is the total value of everything sold off of the farm—gross income from farming.

Sixty-three thousand farmers of the State are on record opposing rigid supports without regard to supply. This includes a high percentage of small farmers. They know that rigid supports with acreage controls are hurting them instead of helping them.

The average number of acres on a farm is about 100 acres. Put yourself in a Michigan farmer's place. You work in a factory part time. You have a small acreage of ground on which you are trying to raise a family and supplement your factory pay. You are trying to raise hogs, beef cattle, and keep a few dairy cows. What you need is more land to more fully utilize the time of yourself and family. More land will help you spread your machinery and other fixed costs over more units, so that by a bigger volume you can make more money even though the unit price is lower. You look around you at other people who are successful, and what do you see? How are they succeeding—by increasing volume and lowering costs.

The fellow who was getting 40 bushels per acre of corn is now getting 100 bushels and trying for a higher yield. As his production goes up his profit goes up even faster. The fellow who is producing 150 eggs per hen is just breaking even, but when he gets 200 eggs per hen he is making a real profit. Increased volume and lower unit costs allow him to make more profit even at lower prices.

The county agent shows him that similar goals for hogs, beef, and dairy are the way to more income and profit. He knows the county agent is right because every place he sees success, he sees the same formula. His experience in the factory over the years proves to him that increasing volume, lowering costs, lowering prices to widen the market is the route of the successful businessman.

In the face of this, the Government comes around and says "cut down on your wheat production or pay a penalty." The farmer realizes that he knows more about what amounts to a good rotation practice on his farm than the Government clerk. Yet he must pay the penalty or go to jail.

What kind of a deal is this?—cutting down on the farmer who has too small an operation to be profitable—holding up price so that billions of surpluses pile up—increasing taxes, making it tougher and tougher on the consumer—setting up trade barriers between nations at a time when we need allies. In other words, through rigid high price supports we are destroying markets, encouraging substitutes, holding an umbrella over foreign competitors, and taking away the right to produce.

Such a system contradicts everything that the Michigan farmer thinks is sound, and when he is both a farmer and a factory laboring man he is not going to buy such a scheme, no matter who is trying to sell it to him.

Farmers of Michigan do not want rigid supports. They understand the issue. They want to be rewarded for efficiency,



thrift, and sound management. They are religious people who not only worship God, but daily practice Christianity by recognizing the worth of the individual. They obey the laws of nature. They obey the natural laws of economics. They know that Congress cannot, without injuring themselves and all society, repeal the laws of God, the laws of nature, or the laws of economics. They know that what is sound for the individual is sound for the Government. They do not want centralized Government control of their daily economic lives. The farmers of Michigan want H. R. 12 defeated.

At this point, I would like to read a letter and resolution I have received from the Michigan Farm Bureau:

MICHIGAN FARM BUREAU,  
Lansing, Mich., April 11, 1955.

Michigan Members of Congress:

In compliance with the action of the board of directors of the Michigan Farm Bureau, April 7, I am enclosing copy of the board's action in opposition to H. R. 12. The statement is self-explanatory.

Our directors and farm bureau members are seriously concerned over the outcome of this legislation. They feel strongly that the flexible price supports and other provisions in the Agricultural Act of 1954 must have an opportunity to become effective if agriculture is to survive as a private enterprise. Please note that flexible supports have not yet had an opportunity to function as they do not apply until the crops in 1955 are marketed.

This action by the Michigan Farm Bureau Board is carrying out the farm policy established by the farm bureau delegates from 63 Michigan counties at the last annual meeting. Also representatives from 48 State farm bureaus at the annual meeting of the American Farm Bureau Federation approved the flexible support program. Copies of the 1955 policies of both the Michigan Farm Bureau and American Farm Bureau Federation were mailed to you some time ago.

Should you desire further information or explanation please feel free to call on the American Farm Bureau Federation, 425 13th Street NW., or telephone Metropolitan 8-6315.

We hope the views of our membership as expressed in this resolution will receive your favorable consideration.

Yours sincerely,

C. L. BRODY,  
Executive Vice President.

#### RESOLUTION

Michigan Members of Congress:

The board of directors of the Michigan Farm Bureau in session at Lansing, April 7, 1955, unanimously urges Congress to oppose the enactment of H. R. 12. This bill would reestablish 90 percent mandatory price supports on basic commodities and is substantially the same as the proposal which was defeated on a rollcall vote last year.

The enactment of H. R. 12 would completely defeat the purposes of the Agricultural Act of 1954. The act of 1954 established flexible price supports on agricultural commodities effective on 1955 crops. Therefore, the flexible policy and other provisions for restoring agriculture to a free market economy have not yet had an opportunity to function.

The policies embodied in the Agricultural Act of 1954 will greatly facilitate further progress in stabilizing farm prices and farm income. They are designed to provide the maximum freedom of the farmer to produce for the market as determined by the needs of the consumer, rather than forcing him to grow commodities for Government storage at prices dictated by centralized government.

There is no worthwhile future for the farmer and his family in permanently producing crops for which there is no satisfactory market. The continuation of high mandatory support prices for another 3 years, as provided in H. R. 12, will still more firmly fasten government control and dictation on the life of the farmer. It will destroy his freedom and initiative upon which the consumer must depend for an adequate and satisfactory food supply in the future.

Such perpetuation of wartime mandatory supports as provided in H. R. 12 will defeat all constructive efforts to stabilize farm prices and farm income.

Criticism of flexible price supports as the cause of any decline in farm income is unwarranted, as price support levels for crops being marketed up to this time have been under the mandatory high support policies, not under the flexible support program as provided in the act of 1954.

For the above and many other reasons, the board of directors of the Michigan Farm Bureau membership, is strenuously opposed to the enactment of H. R. 12.

We hereby direct that this unanimous action by the board of the Michigan Farm Bureau be forwarded to Michigan Members of Congress and to the Committee on Agriculture.

MICHIGAN FARM BUREAU BOARD OF  
DIRECTORS,  
C. L. BRODY,  
Executive Vice President.

As a matter of contrast, I would like to read a letter which was sent to the Michigan delegation by Gov. G. Mennen Williams:

STATE OF MICHIGAN,  
OFFICE OF THE GOVERNOR,  
Lansing, April 11, 1955.

Hon. ALVIN M. BENTLEY,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN BENTLEY: It has come to my attention that both Houses of Congress will soon debate the farm price supports issue. This is a subject of great concern to us here in Michigan and I should like to present my views for your consideration.

Since 1952, farm labor income in Michigan has dropped from almost \$3,000 to \$2,200 a year. This represents a drop of almost 30 percent and it is expected to go down another 4 percent or 5 percent this year. Farm labor income is defined as the income the farmer has left after all expenses, depreciation, family labor and interest at 5 percent have been deducted from gross income.

Such a drop in income for our farmers has meant in the past a consequent severe impact on the rest of our economy. We know that the farm population of our country consumes a significant portion of durable products, particularly steel, rubber, petroleum and other heavy industrial goods. A drop in their income can only mean that other industries must cut back their production.

The administration's present flexible support system has, in my opinion, been one of the major factors in this decline. Our Michigan dairy industry was the first to feel the effects of the administration program and the results are quite apparent. In 1952 the rate to the farmer per hour of labor in dairy production was \$1.66 an hour. By 1954 it had dropped to 90 cents an hour. In 1952 the net profit to the farmer per hundred-weight of milk was 55 cents. In 1954 it was minus 36 cents. Quite obviously no producing segment of our economy can continue when it is losing money on a basic commodity.

These facts, I hope will be helpful to you. They certainly indicate that the present sys-

tem of flexible price supports has had a very adverse effect on the Michigan farmer's chief cash crop. Consequently, I hope you will support a better system.

Sincerely yours,

G. MENNEN WILLIAMS,  
Governor.

I replied to Governor Williams as follows:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., April 25, 1955.  
Hon. G. MENNEN WILLIAMS,  
Governor of Michigan,  
State Capitol, Lansing, Mich.

DEAR GOVERNOR WILLIAMS: I have your letter of April 11, requesting my support for a better system than the present one of flexible farm-price supports. As you know, this matter may be under consideration by the House of Representatives in the very near future.

I note that you mention the drop in farm labor income since 1952 and your expectation that it will go down further this year. You also speak of the present flexible support system and the alleged effect it has had on the Michigan dairy industry. I am surprised that you advocate a return to a system of high price supports which has been in operation in the past and which by your own admission has been responsible for the drop in Michigan farm labor income. Since the flexible system of price supports on basic commodities is not due to take effect until the 1955 crop season, it cannot be blamed for the losses of farm income in the past. These losses, however, are directly attributable to the former system of high supports which resulted in the accumulation of tremendous farm surpluses. These surpluses kept up the cost of food to the city consumer and acted as deterrent to any strengthening of farm net income.

I am glad to report, however, that figures recently made available to me by the Department of Agriculture show that total per capita income of our farm people improved last year over 1953. I fully expect this improvement to continue this current year unless we should return to the high price support system which was responsible for the drop in the first instance.

I notice you call attention to the effects of the administration program on our dairy industry. I would like to call your attention to a recent report on the Detroit milk market where it is shown that base milk (f. o. b. Detroit) increased in March of this year to \$4.11, an increase of 9 cents over February and 11 cents over a year ago. Other milk and condensary prices as well show similar signs of strengthening.

One of the things which has most hurt our Michigan dairy farmer has been the fact that his dairy supports have been covered while he has been forced to purchase his feed at continued high levels. The high support bill, H. R. 12, which you apparently favor, would restore dairy supports to 80 percent of parity but it would also push other supports back to 90 percent and thus the dairy farmer would still be forced to buy feed grains which were supported at a level 10 percent above that on his own produce. I fail to see, therefore, where such supports would be of any benefit to our dairy people.

In other words, Governor, I call your attention to the fact that H. R. 12, the high support bill which you are apparently endorsing, would serve no other purpose than to further increase the production costs of the dairy farmer. There would be no effect on the price of manufactured milk or cheese for the coming year, since manufactured milk will be supported at 80 percent of parity for the marketing year as of last April 1.

I think the administration's dairy support program has been eminently correct since it



has resulted in the movement out of storage of more than a billion and a half pounds of butter, cheese, and nonfat dry milk solids into channels of use. The fact that total milk production in calendar 1955 should be about the same as last year but that consumption has increased and should be maintained at a high level should act to bring both production and consumption more nearly into balance.

For the above reasons, I intend to vote against H. R. 12, the high price support bill, and for flexible price supports. You might be interested to know that my annual congressional poll of the Eighth District last year resulted in a backing of 67 percent for high price supports. This year such high support backing had dropped to 39 percent. The implications of such a change of heart should not be lost to such an astute observer as yourself.

Sincerely yours,

ALVIN M. BENTLEY,  
Member of Congress.

In further regard to this subject, I would also like to read you the following letter from Mr. Ward G. Hodge, president of the Michigan Farm Bureau:

MICHIGAN FARM BUREAU,  
Lansing, Mich.

To Michigan Members of Congress:

This is my comment as president of the Michigan Farm Bureau on Governor Williams' letter to Michigan Members of Congress regarding the decline in farm income.

Mr. Williams is quoted in the press as saying that "The average farm labor income per farmer since 1952 has dropped 30 percent and is expected to go down another 4 to 5 percent this year."

Mr. Williams is quoted further as saying: "The administration's present flexible support system has, in my opinion, been one of the major factors in this decline. I hope you will support a better system."

I assume that Governor Williams is fully aware that the legislation enacted by the Congress 1 year ago provided for flexible price supports for certain basic farm commodities beginning with those produced during the 1955 crop season.

Of course, none of those crops have been marketed as yet, nor will they be for several months. Hence, the flexible support system which the Governor is reported as condemning and blaming for present agricultural prices is not yet in operation.

The present price level of agricultural commodities has come about during a period when the mandatory 90 percent of parity price program has been in effect. That program of rigid, high supports has prevailed during the entire period when the decline in farm income, mentioned by Governor Williams, has occurred.

Undoubtedly, you are aware that only 13 percent of the cash receipts of Michigan farmers results from the marketing of the basic commodities on which price supports at the 90 percent of parity level have been in effect. Of the cash receipts of Michigan farmers, 53 percent comes from the marketing of commodities which have been entirely unsupported. Also, it is well to realize that the cash receipts from meat animals, and dairy and poultry products, for which price-supported feeds are an element of cost, are responsible for 59 percent of the total cash farm receipts for our State. The foregoing figures are all for 1953.

Certainly, Governor Williams should keep the record straight and not blame a program which is not—and which has not been operative—for the unfortunate results which occurred under the rigid, 90 percent of parity program which the Governor is quoted as supporting.

Sincerely yours,

WARD G. HODGE,  
President.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to point out that of the commodities mentioned by the gentleman as being produced on Michigan farms, not a single one of those is a basic commodity, and none of them are affected by the 90 percent we are talking about.

Mr. BENTLEY. I understand the gentleman's statement, and I appreciate it. But I am trying to bring out the reaction of the Michigan farmers to H. R. 12.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I shall vote for H. R. 12 despite the fact that the bill falls short of my objective with respect to support prices for dairy products. Before I comment on the bill, I wish to thank my colleagues on the Agriculture Committee who voted with me on my motion to raise the support price of dairy products above the minimum level reported out in this bill.

In spite of H. R. 12's shortcomings with reference to the minimum support level for dairy products, the bill does represent some gains in other directions for dairy farmers. I shall comment briefly on these aspects of the bill in a moment.

Under the present law the Secretary of Agriculture is required to support the price of whole milk, butterfat, and the products of such commodities at such level between 75 percent and 90 percent of parity as the Secretary deems necessary to assure an adequate supply. Since April 1, 1954, the Government has been supporting dairy products at the minimum level of 75 percent of parity as a result of an order by the Secretary of Agriculture.

H. R. 12 moves the minimum support-price level for dairy products up to 80 percent of parity. This is a gain in that the Secretary of Agriculture cannot lower the support level of dairy products to 75 percent of parity. I presume the minimum figure will be the maximum support level for dairy products under the present Secretary of Agriculture. In my opinion, this support level is too low.

Dairy farmers in my area—and this is probably true of many sections outside of the milk-marketing order regions—are receiving about 80 percent of parity at the present time for their milk going to condensing and cheese factories and 76 percent of that going to creameries. Many of them are slowly going broke with dairy prices at this level while other costs remain high. The Nation's dairy farmers—along with other types of farmers—are in serious trouble. As I see it, the prospects for improvement do not appear too bright.

If you doubt that dairy farmers have had rough sledding, may I call your attention to the economic plight of dairy farmers as summarized very briefly on page 17 of the committee's report which accompanies H. R. 12. The report says in part, and I now quote:

In 1954, with the sharply lower supports in effect for 9 months, dairy farmers received \$193 million less for their total milk sales

than in 1953, while consumers paid an estimated \$60 million more for dairy products.

Furthermore, several weeks ago the USDA reported that the Nation's dairy farmers have taken a \$1.6 billion capital inventory loss on their dairy herds from January 1, 1953 to January 1, 1955. This represents a 33 percent loss on the value of their herds.

For this and other reasons, then, I should like to see the support level on dairy products at or near the level of basic commodities. Some of the basic commodities, it must be remembered, are used to feed dairy and other livestock animals. Feed costs are also an important item in the expense accounts of poultry farmers.

I realize that the 80 percent minimum support level for dairy products in H. R. 12 is given without production controls such as those which apply to the basic commodities with higher support levels. I am also cognizant of the fact that the great majority of Members in Congress will never vote to support dairy products at 90 percent of parity in normal times unless dairy farmers are willing to accept production quotas and follow the same referendum procedures that producers of basic commodities employ to set their quotas.

I have heard it said on numerous occasions that dairy farmers will never accept production controls in order to bring dairy products under basic commodities with a higher support level. I question the validity of this contention because dairy farmers in areas where milk marketing orders are in effect are virtually operating under quotas through a system of blended prices.

While this is not the place to discuss this matter, I should like to point out that dairy farmers should be given an opportunity to voice their opinions as to whether or not they would accept quotas to bring dairy products under basic commodities with a higher support level. I have introduced a bill, H. R. 4360, to make milk and butterfat a basic commodity. I hope the Dairy Subcommittee of the Agriculture Committee will hold hearings in various sections of the country to ascertain what the "grassroots" views of dairy farmers are on this issue. If the majority of dairy farmers will not accept production controls, then the issue is resolved and dairy farmers will always receive lower supports without production control. I want to find out the grassroot farmers's view.

There are three other points in H. R. 12 to the advantage of dairy farmers that I wish to discuss. The first one is that H. R. 12 eliminates reference to adequate supply as a consideration on which the support level of dairy products is to be based. The second point is that an additional \$25 million a year is authorized for the school-lunch program, and the program is extended for an additional year. The third point is that H. R. 12 extends the brucellosis eradication program in dairy herds until June 30, 1958. This provides for an annual expenditure of \$15 million in Federal funds.

Before I conclude my remarks, I wish to say that while the majority of farmers



in my district are dairy farmers I am also concerned with the welfare of all farmers. Agriculture, as I shall show in a moment, is an important part of our national economy. The stability and prosperity of the Nation's farmers affects every community in the country. This is one of the basic reasons why I am voting for H. R. 12. I do not subscribe to the philosophy of pitting one group of farmers against another group of agricultural producers. That is what happened in the last session of Congress and the result was a bill that hurt all of the Nation's farmers.

There is no doubt that America's farmers are in serious economic straits, and if the downward trend in farm income is not checked the chain reaction will be felt in other industries. Net farm income in 1954 was 10 percent below that of 1953, and it was 28 percent below that of 1947. The fact that agricultural assets have declined \$10.5 billion since January 1, 1952, should make Members of Congress sit up and take notice of what is happening to agriculture. Farmers' purchasing power, in terms of 1935-39 dollars, is the lowest since 1940. The drop in farm income and purchasing power, I believe, has contributed in part to the decline in industrial activity and unemployment in our major metropolitan centers.

If there is any doubt in the minds of House Members from the large metropolitan areas that agriculture is not an important part of the American economy, permit me to cite that agriculture is the largest of the Nation's leading five industries. Here is the gross annual output of the Nation's five leading industries for the year of 1953:

|                                            |                  |
|--------------------------------------------|------------------|
| Agriculture .....                          | \$35,430,000,000 |
| Construction (plant and residential) ..... | 26,100,000,000   |
| Oil (estimated refined product) .....      | 23,000,000,000   |
| Automobiles .....                          | 13,984,000,000   |
| Steel .....                                | 12,433,000,000   |

You will note that the annual output of agriculture is larger than that of automobile and steel combined. It is as large as steel and oil combined, and almost as large as oil and automobiles combined. In fact, agriculture represents almost 32 percent of the total output of the Nation's five leading industries.

Some of the Nation's great industrial leaders recognize what agriculture means to industry. For example, Clarence Randall, of Inland Steel, told his fellow industrialists at the Congress of American Industry, meeting on December 3, 1954, in New York City—and I now quote:

Take the question of agricultural surpluses. I think we walked out on that for a long time. \* \* \* You remember the prosperity the farmer had shortly after the war? That prosperity was transferred to the agricultural implement companies. Some of you here tonight wish we had that prosperity back. It was transferred to the steel companies from the implement companies. The farmer was buying every tractor and every piece of equipment he had heard of. The American farmer must export 12 percent of his products. \* \* \* What would happen to the businesses represented in this room if the farmer were cut back 12 percent? We would have hard work to get together for

this meeting because it is from that 12 percent that the farmer buys our products.

Well, just for the record, remember that farm income dropped 10 percent in 1954 over the previous year. If what Mr. Randall said is true, and I believe it is, then it is easy to understand why there is some unemployment and reduced industrial output in certain communities. American farmers have not had the money to spend, and this lack of money means that the cash registers of main-street merchants all over rural America have not been ringing as steadily as in previous years. In turn, it means that merchants have not been buying goods from factories, and factories have reduced their hours and working force.

Thus, the farm economy does affect every person in the Nation. This, in essence, is why I am voting for H. R. 12, even though the bill does not contain everything that I believe to be fundamental and essential. Therefore, I earnestly urge my colleagues to vote for H. R. 12, as I believe some of your constituent—regardless of the district you represent—have a definite stake in the agricultural economy of the country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Texas.

Mr. POAGE. As one of those who has supported the 90-percent program for the basic commodities, may I state to the gentleman, as I think I have stated before, that certainly I, and I believe most of those who are situated as I am, would be perfectly willing for the dairy farmers to come in and get 90 percent on their products any time they want to accept the same kind of controls we accept on our basic commodities.

Mr. JOHNSON of Wisconsin. I thank the gentleman from Texas.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, on page 31 of the committee report I have stated as concisely as I possibly could my position in regard to H. R. 12. I have come to the same conclusion reached by 10 other members of the House Agriculture Committee, that is that H. R. 12 should be defeated in its present form.

H. R. 12 as reported from the Committee on Agriculture is highly discriminatory to that section of agriculture which has sustained the largest income drop since World War II. I refer, of course, to the dairy farmer.

Individual members of the majority have talked about the necessity of returning to 90 percent rigid supports for agricultural products. In reporting out this bill in its present form one must conclude that the majority are concerned only with 90-percent supports for cotton, wheat, corn, rice, peanuts, and tobacco but not for dairy products.

The support sections of this bill as reported by the committee serve no other purpose than to further increase the production costs of the dairy farmer. This new legislation would not have any effect upon the price of manufactured milk or cheese for the coming year, as the Secre-

tary of Agriculture has announced that manufactured milk will be supported at 80 percent of parity for the marketing year which began April 1, 1955.

In the Seventh Congressional District of Wisconsin less than 0.75 percent of our agricultural income comes from the production of basic commodities. In the entire State of Wisconsin 1 percent of our total cash agriculture income comes from the so-called basic commodities which are given preferential support treatment by this legislation. In drawing up this legislation the committee has included as basic commodities only cotton, wheat, corn, rice, peanuts, and tobacco. I intend to offer an amendment to this bill which provides for equality in the support level established between the so-called basic commodities and dairy products.

Dairy products are supported under a support section which was written into the basic Agricultural Act in 1948. Dairy products have always been supported on a flexible parity system.

Democrat candidates for office in the State of Wisconsin have tried to mislead the dairy farmer in our State into thinking that their party stands for 90-percent supports for dairy products. One has but to look at the record here in Congress to learn that the Democrat Party has never supported 90-percent supports for milk or dairy products. The present support section under which dairy products are now supported was the support section adopted and originally placed on the statute books by the Democrats. The Congress must take the responsibility for determining what level of support dairy products will enjoy in the future. That responsibility rests with the Secretary of Agriculture only in accordance with the laws passed by this Congress. I realize that the Democrats are in control in this Congress, and it will indeed be interesting to see what action is taken on the amendment to insure equality of treatment in this legislation for the dairy farmer.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. CRETELLA].

Mr. CRETELLA. Mr. Chairman, in this continuing debate over farm price supports, it seems to me that the interests of the 142 million Americans who are not farmers is consistently overlooked.

Now, certainly urban residents want farmers to share fairly in the national prosperity. They are not opposed to a realistic farm program which will facilitate more orderly marketing of agricultural crops. They realize that this Nation needs ample supplies of food and fiber for its growth and development. City people generally are not opposed to the principle of farm price supports.

At the same time, they would prefer to see a price-support program which is flexible enough to encourage movement of the production of our farms into channels of consumption, rather than into storage in Government ships and warehouses. As taxpayers, city people have a legitimate interest in the costs of farm programs. They cannot be expected to remain silent when they see



the Government pouring billions of dollars of public money into a few commodities which have been selected for support at 90 percent of parity. And they are rightfully disturbed at the current attempt to continue this costly program which has demonstrated its complete inability to cope with our agricultural problems.

It is a matter of record that the commodities which are in greatest difficulty today—pricewise and surpluswise—are those which have been supported rigidly at 90 percent of parity. It should be obvious that a continuation of the program under which these troubles developed will never correct the situation. It will only postpone further the time when we must come to grips with reality.

I have heard it argued here that the level of price support has little relationship to prices consumers pay. It is said that the farmer receives only a few pennies of the retail cost of a loaf of bread; that the cotton farmer's share of the price of a shirt is relatively small. Yet no one will argue that price is not a governing factor in how much wheat and cotton this country exports. Price determines to a considerable extent whether the taxpayer of this country shall buy and store our surpluses or whether these surpluses shall move into channels of consumption at home and abroad.

Moreover, the level of price support for some commodities has a direct and important bearing upon retail food prices. When dairy price supports were reduced from 90 to 75 percent of parity a little more than a year ago, consumers immediately got the benefit of a 9 to 10 cent reduction in the price of a pound of butter. As a result, butter consumption increased by about 9 percent in this country during the last marketing year and Government purchases of dairy products declined sharply. That news should make both dairymen and consumers happy.

Rather than blunder into further price support difficulties, let us give the Agricultural Act of 1954 a fair chance to demonstrate what it can accomplish. Flexible price supports for the basic commodities get their first test when the 1955 crops are harvested some months from now. We know the old program has not worked to the satisfaction of either farmers or consumers. Let us give the new one an honest trial.

Mr. HOPE. Mr. Chairman, we have no further requests for time on this side.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I am very much in favor of this bill. I firmly believe we must see to it that American farmers receive their fair share of the national income.

You know there are many things involved in this complex subject of American agriculture and its place in the Nation. We left agriculture out for many years when industry had advantages written into law and when industrial labor was protected by law. Largely as a result, 80 percent of our timber is gone; 40 percent of our fertile land is gone. Farm life had so few returns

from the farm share of the national income dollar that farm homes had few conveniences others had. Work hours were longer. It followed that nearly all who could left the farm. Farm population went down steadily from 84 percent to only 13 percent on the farm.

Today, farming is a commercial operation. Farmers either make costs plus a living, or deplete the land, go broke, and move to town like the rest of us. We had the great depression of the twenties, for which many explanations have been offered. At any rate, a drastic break in farm prices led off in that depression which carried all down with it—labor, agriculture, and capitalist. We cannot stand another. Finally, it was determined by the Congress to put protections for agriculture in the law, where the other two major segments were already. Thus, we have the price support system provided by law. You may say you now have a price-support law, though actions last year weakened it; but may I remind you that farm income can be ruined by reductions in acreage and the giving away of our foreign markets.

We no longer have the natural resources to waste, which were wasted when "sale at the market place" under world competitive conditions was all that agriculture got.

I believe in free enterprise, but if you analyze the situation you soon find that our free enterprise has been free only under the laws as written by the Congress and by the States. There has been competition as to how these laws were written. It has been said that all anybody wants is a fair advantage—an advantage which he wants others to agree it is fair for him to have. One way to get such advantages declared fair is to pass a law and have the law declare it fair; with the first Congress the fight was on.

Early in our history, industry got protective tariffs written into law; and a good argument could be made for such protection, especially in the early days. They retain most of them today, and they are not going to be repealed. Only about 22 years ago did agriculture begin to receive somewhat equal treatment in law.

Agriculture today operates in an economy where for all practical purposes those advantages to industry and labor are provided by law, and such laws are not going to be repealed. Only recently the President of the United States asked for a 90 cents an hour minimum wage. Whatever the merits, it can only have the effect of raising farm costs at a time when farm laws are under attack and farm income is going down.

Forty years ago 70 percent of the farm investment was land. Today only 45 percent of the investment is land. The balance is expensive farm machinery, equipment, and needed buildings. These things cost money, and they wear out.

Forty years ago it took a farmer almost 10 years to lose his farm if he made nothing. Today, due to heavy outlay of cash, he can lose it in less than 2 years. A real farmer must be a capitalist as well as a laborer today.

There has been some 13 freight-rate increases since World War II, based on operations of other laws, an 85-percent increase in spread between prices received on the farm and prices to the consumer, a 13-percent increase in farm costs in the past 2 years, with a 12-percent decrease in farm income. These conditions, which largely result from laws, many of them enacted by Congress to provide protection to various segments of our economy, make price supports for certain basic agricultural commodities essential to maintaining some degree of balance in our economy. The fact that price supports are necessary to offset American costs does not remove the necessity that our foreign markets be retained to absorb commodities surplus to our domestic needs, if we are to avoid further curtailments in agricultural production and farm income with the resulting unemployment of thousands upon thousands of American farmers.

LARGE INVESTMENT OF COMMODITY CREDIT CORPORATION COMES BECAUSE OF REFUSAL TO SELL

The large holdings of agricultural commodities in the hands of the Commodity Credit Corporation in recent years is not the result of our price-support program, but rather is due to the Government's refusal to offer to sell our products, once they are in the hands of CCC, competitively on world markets. Yet each time I have challenged this policy of holding our agricultural commodities back, admitted to be our policy by our Department of Agriculture, I have been faced with the fact that such policy reflected the attitude of our State Department and those handling foreign-aid programs, based on what the State Department claimed were political and national defense considerations. That Department has made its decisions, apparently, without any awareness of the effect on agriculture and business in the United States. I believe such policies ruinous to American agriculture and, in the long run, to the Nation.

ECONOMIC LOSS FROM REFUSAL TO SELL

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corp.; H. J. Heinz, and others equally successful, such policy costs the United States \$700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities. And all this food and fiber has been held back by the Department's policy, set up by our State Department on the fallacious argument that such a course helps needy peoples of the world.

WE NOW HAVE AUTHORITY TO SELL COMPETITIVELY ON WORLD MARKETS

I would point out that the Commodity Credit Corporation Charter Act in section 5 (f) authorizes the corporation to export or cause to be exported, or aid in



the development of foreign markets for agricultural commodities. Under the Charter Act those commodities may be commodities acquired under price-support programs or specifically procured for export purposes.

The Charter Act contains no restrictions on the prices at which commodities may be sold by the corporation. Section 407 of the Agricultural Act of 1949, as amended, does establish minimum prices at which the corporation may sell commodities owned or controlled by it, except in the case of sales for certain specified purposes. Sales for export, however, are specifically exempt from the application of this minimum-price restriction.

Yet the United States Department of Agriculture admitted in hearings before my committee last year that the United States has been following a policy of holding our commodities at prevailing prices, letting other countries undersell and have the markets. Many commodities have not been offered even at prevailing prices.

Foreign countries do have the dollars. However, due to our policy of not offering our commodities these countries simply are not spending as much for agricultural commodities, but are buying other things. Agriculture's share of United States sales has dropped from 28 percent in 1934-38 to 19 percent in 1953. We will spend \$3,200,000,000 in support of our military in foreign countries this year.

The price-support system may have caused the corporation to buy those commodities, but the corporation has them because we would not sell them.

This fact is proven in hearings held by our committee when Secretary Benson and Under Secretary Morse were before us.

#### LARGE HOLDINGS USED TO LOWER PRICE SUPPORTS AND IMPOSE ACREAGE REDUCTIONS

We read about our Secretary of Agriculture and others talking about having invested more than \$6 billion in farm commodities, and that is true. We saw the last Congress, where the administration including the Secretary of Agriculture, reduced price-support levels on basic farm commodities from 90 to 82½ percent of parity; the Secretary of Agriculture said "to prevent the holding of such huge supplies of farm commodities."

Dairy-support levels were reduced because of the butter CCC owned. Last year drastic reductions were made in acreages in wheat, cotton, and other crops, and decreased production was ordered. This year still further drastic reductions in acreage were ordered, which is working a tremendous hardship and putting lots of people out of business in the area I come from.

Our hearings, and if you have not read those hearings you should, disclose that, notwithstanding the fact that the Commodity Credit Corporation has had authority to sell these commodities in world markets for dollars, it simply would not do it. We have held our commodities off world markets and thereby helped to increase foreign production. By way of illustration, since 1945 cotton

production in Asia has increased by 3½ million bales and in Africa by more than 1 million bales, not to mention Central America and Europe. I tried to get a change in policy last year. Later in the year we got them to offer some commodities in world trade on a competitive basis, and they sold \$453 million worth of them, reducing CCC stocks to a minimum.

#### THE PRESIDENT'S MESSAGE

On January 10 we heard the speech of our distinguished President of the United States, in which much was made of the administration's efforts to move the CCC-owned agricultural commodities into foreign trade for foreign currency under Public Law 480. What does Public Law 480 provide? A close reading of that speech will show you that 90 percent of that foreign currency we would receive is not even subject to the control of the Congress. By far the greater part of that foreign currency will be used for economic development in those countries. The last 10 percent of it can be given to them if the President just says the word. What was not in the President's speech is the fact that his administration is trying to give these commodities away under Public Law 480 without even offering them for sale for dollars, under the general authority of the law. The administration's approach would continue to hold an umbrella over world prices.

Representatives of the United States Government are going around over the world trying to give away to foreign countries that which they will not offer for sale, commodities which they have the authority to sell but which they will not sell, all to add to foreign aid.

And all the time foreign production increases, and the American farmers gets his production cut more and more. There is ample evidence of the fact that the Corporation could sell to be found in the experience that they have had with those items which we finally got them to offer for sale on a competitive bid basis last year. Let me read to you a list of those commodities which they will not even offer for sale on a competitive basis: Cotton, cheeses, corn, rice, seeds, naval stores, tobacco, wool, and butter—cally that given quantities of those com-

Secretary Benson says the trade recommended this policy. I know many in the trade do not. In fact, many people in the cotton trade have asked that I determine "who it is who has benefited from increased foreign production, which is protected by the United States umbrella." In many, many cases, I am told, it is American operators who have moved into production and business in foreign countries; and it is charged by some in the cotton business that many of those same people are now in key spots to advise the United States Department of Agriculture to hold American production off world markets. I expect to have a special investigation to find out these facts with regard to the various commodities. I believe such information will be valuable to the Appropriations Committee.

If it be true that it is not foreigners who have increased cotton production in

foreign countries, but American business interests which have moved in to take advantage of the United States umbrella they help to raise over their foreign investments, they have what you might call perfect insurance or assurance of profits. Furthermore, do not try to tell me that we must sell these commodities from one government to another government.

#### THE REMEDY

All we have to do is announce periodically that given quantities of these commodities will be sold on a competitive-bid basis to American exporters for export. By controlling the quantity offered and the spacing of our offerings we can take into account all factors. My suggestion is not dumping, for United States businessmen would buy and sell in the regular way. We would use the private enterprise system.

Foreign countries do have the dollars, but this shortsighted policy of not selling our commodities competitively on world markets, and thus holding an umbrella over world prices, invites the increased production we are getting in nearly every country which produces such commodities. We are making competitors out of our customers. This failure to use the general authority of law is cutting back the income of our own farmers more and more, so as to leave many of them far below any kind of a reasonable standard of living; and if it is continued it will result in American agriculture being limited to the domestic market. What I charge here is proven by the testimony in the hearings before our committee.

Though actually the President's recommendation for giveaway under Public Law 480 is a form of dumping, contrary to misleading headlines our committee has urged no irresponsible dumping. Our Government has held these commodities so long it has built our holdings up to the extent that we must gradually move back. May I read to you the report of our committee?

#### COMMITTEE REPORT

In the opinion of a majority of the members of the committee, actions of the Department to reduce price supports, change parity formulas, and reduce acreage allotments will not cure the problem of the increasing commodity holdings of the Corporation. They believe that this difficulty is due to the failure of the Corporation to discharge its responsibility under its charter to sell its commodities competitively in world markets. Testimony before the committee shows that none of the large stocks of cotton, cheese, corn, rice, seeds, naval stores, tobacco, and wool have been or are being offered for sale on a competitive basis, despite basic authority in law to do so.

The program for moving commodities under Public Law 480, for which much is claimed, actually is a means of giving commodities away in preference to attempting to sell them through normal trade channels. It involves prior clearance from a committee composed primarily of representatives of nonagricultural interests (State, Commerce Departments, etc.) which is a serious hurdle in getting agricultural commodities exported. Also, under the law, the major portions of the local currencies received for commodities shipped abroad will be used for foreign-aid purposes in the countries from which received.



The majority of the committee feels that steps should be taken as early as practicable to begin the movement of these commodities into world markets on a competitive bid basis through American exporters. The committee also feels that an immediate announcement of such change in policy should be made to discourage further increases in foreign production to the detriment of American farmers.

Such an action will eventually make possible reductions in administrative costs of the Corporation. It should also help to correct the present practice of making competitors out of former customers and should benefit foreign consumers who have a real need for products surplus to United States domestic needs.

Further, and most important, it will enable the American farmer to compete with foreign producers and make additional acreage available to relieve undue hardships existing in many areas of the country under present orders.

#### THE TRAGIC EFFECT

The tragedy of not selling these commodities—cotton, cheese, corn, rice, and so forth—and they could have been sold, is that those same commodities for which there was a market and for which there is authority to sell, were used and counted to cut support levels, to reduce acreage, and restrict American production, to restrict the cotton acreage of American farmers. It was used as an argument to reduce the price-support levels on basic commodities from 92 percent to 82½ percent. It was used to change the parity formula so that it will almost automatically go down to 75 percent within the next several years. All the time the commodities that were used for this purpose could have been sold, and there was authority to sell them. When these fights were up last year, Secretary Benson did not tell the American people he had full authority to sell these commodities, but would not offer them for sale to our traders for use in world trade. The major harm or loss is not the amount of money we have invested in these commodities; it is not the fact that the longer you keep them the more storage we have to pay; but the commodities which we have, which we would not sell, have been used to do these other injuries to the American farmer, leaving thousands of tenants without a means of livelihood in the South and many, many small landowners reduced below the barest minimum essential to a decent living.

#### VIEWS OF SECRETARY BENSON

The chief difference between the views of the Secretary of Agriculture and myself, on the price-support system, is that I believe price supports are necessary to protect the American farmer against high United States costs largely brought about by other American laws.

Apparently the Secretary, judged by his arguments for the flexible supports, feels that price supports should be a means to help regulate American production. He would increase supports when he wants more production and lower supports when he wants less.

Where I believe the parity formula should be tied to costs as it was under the old parity formula, the Secretary's modern parity, substituted last year, ties parity primarily to the average price the

farmer received for his commodities for the 10 preceding years. Under the Secretary's law, as the farmers' prices go down parity goes down though costs may be going up. Under the old formula, as costs went up parity went up.

However, whether you agree with Mr. Benson or with me, neither system will work unless what the farmers produce above domestic needs is offered in world markets on a competitive basis. I repeat:

According to admissions of Mr. Benson and Under Secretary Morse, before our subcommittee last week, billions of dollars worth of cotton, corn, dairy products, wool, and tobacco are not even being offered to the markets of the world for sale on a competitive basis. To prove my point, those commodities we have been able to get the Department to offer have been sold for dollars.

QUANTITY OR VOLUME IS AS ESSENTIAL AS PRICE

Price-support levels are only one factor. The other essential is quantity or volume. If you guarantee a cotton farmer 200 percent of parity and limit him to 3 acres of cotton, his gross income would be less than \$1,000 per year. Today acreage curtailment in cotton is reducing thousands of small farmers to less than \$1,000 gross per year. Tenant farmers, thousands of them, are being let out entirely. This cutback is to help absorb cotton which the Government has and won't offer for sale competitively; and actually, unintentionally I am sure, amounts to forcing our United States farmers to absorb foreign increases in production.

#### SMALL FARMERS

Our distinguished President, in speaking to the joint session of the Congress, said the administration had to do something for the small farmers.

Acreage reductions in my section are making many more small farmers for the administration "to do something for." Today, the Government is giving them cheese and butter, mighty good products but tiresome if the only food provided.

Now the President would aid the part-time farmer. In other words, the farmer is such a poor risk now the President urges aid if he has outside income to make him a better credit risk. While those are my words that is what it amounts to.

Incidentally the Government has this cheese and butter because it won't offer it for sale to our exporters on a competitive basis.

We must start moving to prevent further losses in our United States export markets. We must begin offering some quantities on a competitive-bid basis to our own traders for export, or we will be back to the domestic market on a permanent basis.

I repeat: By controlling the size of our offerings and the spacing between offerings our Department of Agriculture can consider all factors. Such a course is not dumping; but giving away what we will not offer for sale competitively under Public Law 480 is dumping, though there are certain safeguards written into the law.

#### FARMERS' INCOME DETERMINES CONSERVATION

Why do I stress price supports and markets? Because, however strongly

you and the farmers believe in conservation, restoring minerals to the soil, the job will be done only as the farmer's income leaves enough over after taxes and cost to put something back into the soil.

Income over and beyond cost of living to the farmer is essential to the effectiveness of our Soil Conservation Service, Extension Service, and yes, will even control the amount of sales of limestone by members of your association.

#### WHAT IS THE FARM SITUATION TODAY?

The prices of farm products have declined about 25 percent since February 1951. The cost of farming continues to increase. The net farm income in 1954 was down about 30 percent from 1951.

And the outlook is for still further declines in net farm income in 1955 because of the reduction in acreage of controlled crops and the low prices of nearly all farm products.

In December, the parity ratio dropped to 86, the lowest since 1941.

As a result of the decline in prices of farm products and the drastic drop in net farm income, the value of United States agricultural assets dropped from \$170.1 billion on January 1, 1952, to \$156.5 billion on January 1, 1955, a loss of \$13.6 billion, or 8 percent.

During this past 3-year period the value of farm real estate dropped nearly \$9 billion, or about 9 percent. The value of livestock declined \$8 billion, or more than 40 percent.

The losses sustained in real estate and livestock were partly offset by small gains in the value of farm machinery, crops on farms, and household furnishings.

What has happened in industry during this period? From January 1949 to January 1955, the value of 30 leading industrial stocks skyrocketed from \$175 to \$412.97 per share. The total value of industrial stocks increased by \$53 billion.

The continuing boom in industry and the spiraling prices on the stock market are reflections of the profits of industry and dividend payments, by industrial enterprises. How much of the advance is the result of speculation or hope of future gain is itself a question for speculation and meditation. And all this adds to costs to American farmers, but the new parity formula is based on the average price the farmer has been receiving, not on the cost of what he buys.

Mr. Fred J. Hurst, director of information, Farm Credit District of New Orleans, says:

The farm mortgage debt has almost doubled since 1945. The estimated dollar volume of farm mortgages recorded during the third quarter of 1954 totaled \$380,343,000, which was nearly 2½ times the amount recorded in the third quarter of 1940, and the largest dollar volume recorded during the third quarter of any year since the heavy refinancing year of 1934.

Yet, despite the decline in farm prices and farm income, despite the unfavorable position of agriculture in the national economy, responsible officials continue to lower farm price-support levels. At the same time we hear the official call to the Congress to raise the minimum wage level from 75 cents to 90 cents an hour. We hear the call for increase in salaries for various groups. We see and hear many things happening that would tend to widen rather than narrow the disparity between agriculture and industry.



It is disturbing to note that there seems to be little concern about the plight of agriculture except among farmers themselves and their cooperatives and a limited number of sympathetic farm leaders who know the desperate battle farmers are waging to make ends meet, and who realize the danger to the entire national economy unless the decline in farm income cannot only be arrested but reversed and improved.

Unfortunately, there seems to be a disposition on the part of some agricultural groups, judging by their published statements, to echo the national refrain, to docilely accept the indifferent national attitude toward agriculture, and to consider the farm price situation as something inevitable and permanent. We want to make a plea for a general awakening to the worsening farm situation. We want to sound a warning. Past experience has shown that there is a limit to the beating farmers can take. There is a limit to the depths to which farm income can drop without bankrupting agriculture and without endangering the entire economy. The current 86 percent of parity is a long way from the 100 percent of parity, the fair level goal set for agriculture.

#### GOVERNMENT SUBSIDIES

You may say the farm program is a subsidy program. Collectively, through Government, we spend as much as \$6 million on getting one group of magazines distributed. The Government largely supports the distribution of newspapers. We subsidize the airlines; we help build ships, so our shipping can pay the high wages of the American seamen, protected by bargaining power of labor unions, to haul commodities in competition with foreign shipping; and so it is just about in every direction you look. Through Government we have had many advantages termed fair by being enacted into law. Under those conditions we had better be sure we include agricultural income along with the rest, for food, clothing, and shelter are still basic. Whatever the real cost of the farm program would be, our refusal to sell Commodity Credit stocks on a competitive basis multiplies such costs many times over.

I would like to read to you a letter I addressed to Secretary Benson on April 21:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., April 21, 1955.  
Hon. EZRA T. BENSON,  
Secretary of Agriculture,  
Washington, D. C.

MY DEAR MR. SECRETARY: I was pleased to note that the 700,000 bales of Commodity Credit Corporation owned cotton had been offered on the market at domestic prices. Personally, as you know, I have felt that in addition to offering this cotton on the domestic market we also need to offer it in world trade at truly competitive prices, as authorized by the charter of the CCC.

In recent weeks I have heard numerous reports as to the basis on which the Department does not feel it should immediately change its policies. I have read your testimony before the Senate committee, in which you state that there will be no change in existing policies prior to July 31st so as to offer cotton in world trade on truly competitive prices. While I differ with this decision, we have to accept it.

However, may I urge that at the earliest possible date you announce that there will be a change of policy and American cotton will be offered in world trade at truly competitive prices. In addition to other sound rea-

sons, this action will be of great help in retarding further expansion in foreign countries.

I was further pleased to note in your speech at Bakersfield, Calif., you recognized and pointed out the ill effects caused by existing policies. You clearly stated that cotton production is increasing in foreign countries as a result of the United States price umbrella, which our policy is holding over world prices. In that speech you cited the illustration of Central America, where in the last 5 years cotton production has increased some sixfold.

I have before me copy of a speech Assistant Secretary of Agriculture Dr. Palberg delivered, on March 19, to the 44th annual convention of the Texas Cotton Association. In the latter part of that speech he made the following statements:

We are competitive pricewise in the world cotton market only intermittently, in a series of unpredictable interludes. There is no better phrase to describe our position than the phrase used by the cotton industry itself—we are the residual supplier.

There is no question but that our pricing policies have given aid and comfort to our competition.

The United States, which now produces only about 40 percent of the world's cotton, cannot, by regulating its own production, satisfactorily determine prices and quantities for the entire world.

2. The three elements needed for effective selling are quality, merchandising, and a price that meets competition. We cannot, by improving quality and increasing our merchandising efforts, fully compensate for our inability to be competitive pricewise.

I might liken the cotton industry to a stool which needs three legs to stand upright—quality, merchandising, and realistic pricing. It can't stand permanently on just two legs, no matter how strong they're built.

These statements clearly show an awareness on your part of what is happening to us under present policy. And yet this policy is being continued by the Department, notwithstanding the provision contained in the CCC charter for sales in world trade on a truly competitive basis.

You will recall that the State Department has now said that it has no objection to the sale of cotton in world trade on a truly competitive price basis. I hope I am right, when I read these statements, in becoming convinced that you and the Department officials recognize that a change in policy should be made; and you now have only to make the determination as to when.

In connection with changing policies so as to offer our commodities competitively, I am aware of the fears of the domestic textile mills in connection with the imports from foreign countries. There are 2 or 3 ways that domestic mills could be protected.

First, I would like to point out that section 22 of the Agricultural Adjustment Act of 1933, as amended, provides:

(a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to \* \* \* materially interfere with \* \* \* any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or production thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is be-

ing undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission. \* \* \*

"(b) If on the basis of such investigation and report to him \* \* \* the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered \* \* \* for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not \* \* \* interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken."

Also, I would like to point out that section 104 of the Defense Production Act of 1952 provides for the control of imports of certain commodities. While cotton or finished cotton goods is not included in the list of commodities, I have every reason to believe that, upon recommendation of the Department of Agriculture being made to the Congress, such cotton goods would be clearly added to the list of commodities where import controls could be made, should domestic textile mills have any need for such protection.

The other solution, which has been pointed out to me, is that the domestic mills be permitted to buy at the world price an amount of cotton equivalent to the amount of raw cotton such mill used to meet its exports.

I would like to respectfully urge again that it is highly imperative that the CCC use existing authority to sell in world trade, at truly competitive prices on a competitive bid basis, to our own traders for export, existing supplies of cotton, as well as cotton to which the Corporation will take title later this year. This should be done under existing law, in my judgment, because the procedure is much more simple than any other approach. It would move this cotton through normal channels and take advantage of the fine sales force of American exporters.

Any program providing for payment of a subsidy would still leave the cotton offered at a pegged price, which would enable our foreign competitors to price just below us, as they are doing now under existing policies. An export subsidy would tend to lower the umbrella, but in no sense would it remove the umbrella over world prices; and for that reason it would not have the desired effect of holding down expansion in foreign countries, which is largely by American financial interests.

The next point I would like to make is that while I feel that a great deal of cotton could easily be sold for American dollars on a competitive-bid basis, whether the amount sold is large or small, it would be of tremendous benefit in preventing further expansion of cotton production in foreign countries. Once we move existing stocks of cotton, section 32 funds might then, through a subsidy arrangement, be one way of meeting the day-to-day problems of the future; but that course would not be nearly so effective toward meeting present problems while expansion in foreign countries is making great strides.

While this letter is directed primarily to cotton, I feel the same policies should be put into effect with regard to other commodities, with perhaps some differences to meet different conditions.

One of the main defects in existing price support programs is not in the level of price supports, in my judgment, but comes from too small a spread between support levels



on high qualities and low qualities of the same commodity. If the CCC would begin to move its holdings into world trade on a competitive-bid basis, the real differences between various grades and classes and the various qualities would then show up, and would provide a strong basis for the Congress and the Department to make a proper spread between the various grades and qualities of a given commodity.

As you well know, our losses have largely come from inferior grades of the various commodities, for which there has never been a substantial market at any high price.

Recently I have noted suggestions that American farmers be required to vote for reduced price supports in order to get increased cotton acreage. While, perhaps, it is not so intended, this would amount to putting a gun on the cotton farmers to make them agree with the Department's desire to reduce price supports, in order to get a change in departmental policy.

The Department, through the Commodity Credit Corporation, now has authority to sell the cotton on hand in world trade through our own exporters. As both you and I have pointed out, failure to use that authority has resulted in an umbrella over world prices, with United States cotton acreage moving overseas.

The failure to offer for sale at competitive prices results in such cotton being held and counted to reduce cotton acreage. If cotton on hand is sold, that of itself will help to increase cotton acreage.

To demand that the farmers agree to reduced price supports in order to get the Department of Agriculture to sell is wholly unjustified. The Department, in recent months, has agreed it has authority to sell. It has agreed to the ill effects of not selling. The Department has agreed that it is their determination which prevents sale in world trade at competitive prices.

The price support level is to offset high American cost, and to help assure American farmers a fair share of the national income. To demand that supports be reduced, particularly where departmental officials now admit the bad effects of not selling stocks on hand at truly competitive prices, is wholly untenable and should not be permitted.

I personally believe that the price support level with regard to cotton is essential to offset high American costs. I am convinced that a reduction in the price support level, without other controls, would not tend to reduce the quantity of cotton produced; but actually, in the absence of other controls, more commodities would be planted to offset the monetary loss in price.

May I again respectfully submit that now, since the Department so clearly sees the ill effects of not selling in world trade on a competitive price basis, there is no reasonable basis let for the Department not to change its policy, since it has full authority under the law to sell competitively and thereby correct the situation now existing. As I see it, there are no problems which could come therefrom which could not be met by the Department under existing law, or under such changes in the law as might be essential, if the Department would only so recommend to the Congress.

May I assure you these suggestions and statements are made in complete good faith and because of my firm convictions. I trust you will accept them in the same good faith and that they will have the attention and consideration of the Department.

With very best wishes, I am

Cordially yours,

JAMIE L. WHITTEN,  
Member of Congress.

We must not lose track of the fact that in providing for the caretakers of the soil we protect ourselves.

#### WHILE THE GOVERNMENT AIDS OTHERS, IT REDUCES EFFORTS AT HOME

While speeches are being made on conservation, funds for soil conservation are being reduced by the President's budget. The conservation job is being pushed back on the individual farmers, when their income is decreasing and their costs are rising. The job is being put back on the States, though those with the greatest problems are least able to pay.

While our President speaks of providing farm commodities to the needy peoples of the world, our own school-lunch program is cut. While we provide money to the world for their economic improvement, the same United States commodities are being held off world markets, to give such markets to operators in foreign countries. While American tenant farmers are being cut back in acreage to the point of being without a means of livelihood and thousands of others are reduced to a gross annual income of less than \$1,000, we are promoting the increased production of the same commodities throughout the world—at least 1 million bales per year increase in foreign cotton production—not only by providing an umbrella over world prices, but by grants of American dollars as well.

#### PROVISION FOR THE FUTURE

It has been said, "The world is never more than 1 year ahead of starvation." In our country we have had great abundance through the years. Now we know we are gaining population at the rate of 3 million a year. We must, in self defense, if we hope to maintain our present high standard of living, see to it that a reasonable part of what is taken out of the land is put back; and that will be done only as income received exceeds cost of production.

Protections for industry and labor are going to continue and since that is true we must see to it that agriculture, the source of all wealth returns to the head table too, for the good of the Nation.

The farmer must have price, but he must have volume as well.

Remember, the only source of real wealth is the land. Your income and the future of our Nation, as well, is tied to the farm income.

If we leave to our children and children's children a fertile land, with timber restored, our soil erosion stopped, and our streams harnessed, with our natural resources intact, they will make it fine. On the other hand, we could leave them all the money in the world but leave them a worn-out land and they will have nothing on which to build. Remember, the cost of producing food and fiber on the farm is going to be paid—either by those who use the products of the soil or by the land from which it comes. Forty percent of our land has paid that price in the past. Today with an ever-increasing population, we don't have the land to spare. There will likely be no Marshall plan or foreign aid law like our Public Law 480 if our country should ever be worn out as are most of the old countries of Asia we aid today.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, my farm neighbors are watching the conduct of the Congress. They are interested in the outcome of this bill. They are interested because they believe that this is a decisive point in the history of agricultural legislation. It is a battle of more than the philosophy of rigid versus flexible prices. They know a coalition of those who have been traditionally and historically opposed to price support programs, joined by a small segment of the Congress who actually believe in a flexible program, can defeat this bill. They know that the so-called flexible program means a sliding downward of the price of things they sell.

One result can be a discrediting of a price support program on the part of the Federal Government. We continually hear discussed the term that we must return to the farmer a free market. Implying that if we remove regulations, which the Congress has passed to protect him and his family from the whims of economic society, this will return to him certain inherent rights. I have listened to the debate. I am not certain what is implied by these freedoms so glibly explained by some of my colleagues. Does it mean a freedom that places upon his back a mortgage for lack of income? Is it freedom to deprive his children dental and medical care? Is it freedom to deprive his children of an adequate education? Is it freedom to deprive a mother and housewife of the conveniences of a modern home? Does anyone believe that farmers alone can survive in an economic society in competition with labor and industry, both of which have learned that free enterprise as it is proposed for agriculture only leads to chaos and bankruptcy.

A great President of this United States once said, "This country cannot exist half slave and half free." A farmer cannot exist in a society where he is unprotected in relation to other groups who are protected. I am one of those who believes that a farmer would be in a comparatively good economic position if he existed in a society where all were competing under a so-called free enterprise basis. I believe that this kind of a society exists only in a dream world. Labor and industry are not going to forego the special privileges they enjoy to go on that basis.

Some of my colleagues who talk so glibly about a free enterprise system resist it to the utmost for industry in their areas. If the farmer finds himself priced out of the world market he ought to be told what price he could receive if his products would move into the market.

Every time he pulls a watch from his pocket to look at the time, he knows that he is paying more than the world price because of the protection given the American watch industry. Other commodities he uses are priced above the world market prices because of duties, import quotas, and other schemes for protection. Must he be the only segment of our society to dispose of his



commodities on the basis of world prices and purchase the necessities of life on an artificial, legislative, protective price?

My farm neighbors know that the bill today is a step on a road that we are going to take as far as farm legislation is concerned. Either we are going to take a step in the direction of plentiful, bountiful supply of food and fiber in an expanding economy, or we are going to accept a retreat from that viewpoint to lower prices, less security in a declining economy—an economy where a survival of fittest could be termed more of a cat-and-dog fight.

The farmer of this country knows that if this Congress does not find an answer to full protection in an expanding economy that the wooden shoes of peasantry are waiting for him on his doorstep.

It is not a matter of a bill before us being perfect or imperfect. A good piece of legislation can be ruined by poor administration. We certainly have seen it in the conduct of the Department of Agriculture under Secretary Benson where more money by some \$400 million is lost in 2 years than was lost in the preceding 20 years. Farmers are not the only ones who have expanded their production. Industry expanded its production under price assurances and guaranties that paid it handsomely. We hear of the losses of the support price programs of the Department of Agriculture; we hear little of the losses taken by the Defense Department in selling war materials at about 5 cents on the dollar. I have been informed that the Defense Department lost approximately \$3½ billion through disposal of materials this last fiscal year. I have been informed that they expect to lose about \$2 billion a year for several years to come. Industry and labor are not concerned about this item. I am not concerned because I believe the security of this country to be worth the price we are paying. I do feel that some of my colleagues who are representing districts where industry is protected by this policy might apply the same yardstick to the farmer. I have heard no one imply that these guaranties and assurances to industry are socialism. Why then attempt to pin this label on to the hard-working farmer and his family?

The United States of America is going to be stronger if we have a strong, healthy agricultural economy and if our rural people continue to be the strong sturdy stock that cleared the land and tilled the soil. The same sturdiness that stood behind the stone fences at Lexington and Concord Bridge still flows through the veins of these people and will as long as they have an opportunity to live in a society that gives them an equal opportunity to raise their families in economic equality with other groups. We in the Congress deserve to give them this opportunity to do those things for themselves that they are entitled to do. I hope this Congress chooses the road ahead and does not take the backward step. I have firm faith in the American people and particularly in the American farmer.

We will continue to expand and grow. We will move ahead in building a greater country. I am hopeful that the Ameri-

can farmer will continue to take an active part in that growth. The Congress can provide part of the answer in passing this bill.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I want to associate myself with my colleague the gentleman from Minnesota [Mr. MARSHALL] in repeating my support of this legislation in the last session and I will again support this legislation tomorrow in the interest of the many farmers I represent in the Third Congressional District of Minnesota.

(Mr. COOLEY asked and was given permission to revise and extend remarks he made in Committee of the Whole.)

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That paragraph (6) of subsection (d) of section 101, of the Agricultural Act of 1949, as amended, is amended to read as follows: "the level of support to cooperators shall be 90 percent of the parity price for the 1955, 1956, and 1957 crops of any basic agricultural commodity with respect to which producers have not discontinued marketing quotas."

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, had come to no resolution thereon.

#### REREFERENCE OF CERTAIN BILLS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the following bills: H. R. 2137, H. R. 2872, H. R. 2007, H. R. 694, H. R. 646, and that the same be referred to the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### FEDERAL EMPLOYEES UNIFORM ALLOWANCE ACT

Mr. DOWDY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 121).

The Clerk read as follows:

*Resolved by the House of Representatives (the Senate concurring),* That the President of the United States is requested to return to the Senate the enrolled bill (S. 1094) to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Secretary of the Senate is authorized and di-

rected, in the reenrollment of said bill, to make the following correction:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 402 of the Federal Employees Uniform Allowance Act approved September 1, 1954 (68 Stat. 1114), is amended to read as follows:

"SEC. 402. (a) There is hereby authorized to be appropriated annually by category and amounts specifically set forth to each agency of the Government of the United States or of the District of Columbia (including Government-owned corporations), upon a showing of necessity for requiring uniforms, an amount not to exceed \$100 multiplied by the number of the employees of such agency who are required by regulation or by law to wear a prescribed uniform in the performance of his or her official duties and who are not being furnished with such uniform. The head of any agency to which any such appropriation is made shall, out of funds made available by such appropriation (1) furnish to each such employee such uniforms at a cost not to exceed \$100 per annum, or (2) pay to each such employee an allowance for defraying the expenses of acquisition of such uniforms at such times and in such amounts, not to exceed \$100 per annum, as may be prescribed in accordance with rules and regulations promulgated pursuant to section 404. Where the furnishing of a uniform or the payment of a uniform allowance is authorized under any other provision of law or regulation existing on the date of enactment of this act, the head of the agency may in his discretion continue the furnishing of such uniform or the payment of such allowance under such law or regulation, but where a uniform is furnished or allowance paid under any such law or regulation no uniform shall be furnished or allowance paid under this section.

"(b) On and after July 1, 1955, no regulation requiring additional categories of employees to wear uniforms shall be enforced unless such employees are furnished uniforms or paid an allowance therefor.

"(c) Agency heads will, by February 1 of each year, submit to the Post Office and Civil Service Committees of the House and Senate, respectively, a report covering the number, category, and annual cost of uniforms provided under this section during the previous calendar year, together with a statement providing the same information covering the number, category, and estimated cost of uniforms for which the agency proposed to request funds for the ensuing fiscal year."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, will the gentleman explain if there are any changes in the language in this bill and the bill previously passed?

Mr. DOWDY. The bill that was passed last year for uniform allowances required that the regulations had to be existing on the date of the enactment of the act, requiring the wearing of the uniform before they could be bought. There were some 25,000 employees who were wearing uniforms under oral regulations. This bill is to remedy that situation. The bill reported by our committee placed some safeguards in it.

Mr. CRETELLA. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. CRETELLA. Has this change been discussed in the committee?

Mr. DOWDY. What we are offering in this resolution is the bill that was reported by our committee. Through a









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

May 5, 1955  
May 4, 1955  
84th-1st, No. 73

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HIGHLIGHTS: House debated price support bill, agreeing to amendment making peanuts nonbasic. House committee reported bill for Federal cooperation in non-Federal reclamation projects. House subcommittee approved measure for USDA study of burley tobacco program. Senate passed trade agreements bill. Senate made Interior appropriation bill, which includes FS items, its pending business. Senate committee reported bills to give CEA subpoena power and protect purchasers of fungible goods from CCC claims.

## HOUSE

1. PRICE SUPPORTS. Continued debate on H. R. 12, the price support bill (pp. 4699-725, A2986-7). By a teller vote of 186-150, agreed to an amendment by Rep. Green, Pa., to eliminate peanuts from the list of basic commodities and to repeal legislation for peanut allotments (pp. 4699-713).
2. RECLAMATION; LOANS. The Interior and Insular Affairs Committee reported without amendment H. R. 5881, to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (H. Rept. 481)(p. 4727).
3. SALT-WATER RESEARCH. The Rules Committee reported a resolution for consideration of H. R. 2126, to expand the Interior Department's salt-water research program (p. 4699).
4. TOBACCO. A subcommittee approved for reporting to the Agriculture Committee S. J. Res. 60, directing USDA to study and report on burley tobacco controls (p. D374).
5. COPPER IMPORTS. The Ways and Means Committee reported without amendment H. R. 5695, to continue through June 1958 the suspension of certain import taxes on copper (H. Rept. 485)(p. 4727).

6. REORGANIZATION. The Government Operations Committee reported without amendment S. 1763, to extend the time for liquidation of the Hoover Commission (H. Rept. 482)(p. 4727).
7. PURCHASING. The Government Operations Committee submitted a report, "Federal Catalog Program Report — Identification and Conversion" (H.Rept.483)(p.4727).
8. PROPERTY AND ADMINISTRATIVE SERVICES. Received from GSA a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes"; to Government Operations Committee (p. 4727).
9. LEGISLATIVE PROGRAM. Majority Leader McCormack announced the legislative program as follows: Today (Thurs.), price-support and reserve-manpower bills; Fri. and Sat., not in session; Mon., conference report on postal pay bill, and statehood bill (p. 4725).

#### SENATE

10. TRADE AGREEMENTS. Passed, 75-13, with amendments H. R. 1, to extend to June 30, 1958 the authority of the President to enter into trade agreements (pp. 4732-4851). Sens. Byrd, George, Gore, Millikin, and Martin were appointed Senate conferees on this bill (pp. 4850-1).

During debate on this bill Sen. Langer stated that the Trade Agreements Act "has proved disastrous to the farmers of the Nation"; that his reasons for voting against extension of this Act are set forth in the hearings held before the Subcommittee on Antitrust and Monopoly, Senate Judiciary Committee, on importations of rye and barley; and inserted the transcript of these hearings (pp. 4826-50).

Sen. Malone discussed and inserted a GATT nations' "Decision to Grant a Waiver to the U. S. in Connection with Import Restrictions Imposed Under Section 22 of the U. S. Agricultural Adjustment Act of 1933, as Amended" (pp. 4747-8).
11. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL FOR 1956. This bill, H. R. 5085, was made the pending business (pp. 4851, 4853).
12. COMMODITY EXCHANGES; CCC CLAIMS. The Agriculture and Forestry Committee reported without amendment S. 1398, to authorize subpoenas under the Commodity Exchange Act (S. Rept. 268); and with amendment H. R. 1831, to amend the CCC Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from claims of the CCC (S. Rept. 270) (p. 4730).
13. ANIMAL DISEASE. The Agriculture and Forestry Committee reported without amendment S. 1133, to provide for certain indemnity payments in Iowa on account of vesicular exanthema which could not be made because of a technicality (p. 4730).
14. COMMITTEES. The chairman, Agriculture and Forestry Committee, was authorized to appoint subcommittees to consider the following bills: S. 1286, Farm Credit Act of 1955; S. 1636, use of humane methods in slaughter of livestock and poultry in interstate or foreign commerce; and S. J. Res. 20, to preserve and strengthen the family-farm pattern of American agriculture (p. D372).
15. ROADS; TREATIES. Received resolutions urging enactment of legislation for the rapid completion of the Interstate System of Highways, and favoring the enactment of the Bricker amendment to limit the President's treaty-making power (p. 4729).





# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 84<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 101

WASHINGTON, WEDNESDAY, MAY 4, 1955

No. 73

## House of Representatives

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of all mercy and pardoning grace, may our prayer at the morning hour of this day be one of contrition and of confession of our many sins, our faults, and our failures.

We penitently confess that we are frequently more concerned about coming to Thee for help in a situation that is too much for us and badly wrong than we are for holding fellowship with Thee and proclaiming Thy glory.

We beseech Thee that our spiritual revival and resurgence of faith and return to Thee may not be because we are afraid and at our wits' end, but may it be because we have been inspired by a deeper love for Thee and a nobler appreciation of Thy greatness and goodness.

Grant that our longings and prayers for universal peace and an end of war may not only be due to our hatred of bloodshed and suffering and destruction of property and disturbance of business, but, above all, may it be because we feel the tragedy of spirit that is unbrotherly and un-Christlike and contrary to Thy divine love and righteousness.

Hear us in the name of the Prince of Peace. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SIEMINSKI, for 3 days, due to a death in the family.

### RESEARCH, DEVELOPMENT, AND UTILIZATION OF SALINE WATERS

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 231, Rept. 480) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that

the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2126) to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

### CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 44]

|              |            |               |
|--------------|------------|---------------|
| Bolton,      | Dingell    | Osmers        |
| Oliver P.    | Eberharter | Powell        |
| Brooks, Tex. | Frazier    | Prouty        |
| Canfield     | Gray       | Reed, Ill.    |
| Carlyle      | Gregory    | Reed, N. Y.   |
| Chatham      | Heselton   | Rhodes, Ariz. |
| Davis, Tenn. | Kilburn    | Roberts       |
| Denton       | McCulloch  | St. George    |
| Diggs        | Mumma      | Walter        |

The SPEAKER. On this rollcall 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### PRICE SUPPORTS FOR BASIC COMMODITIES

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12) to amend

the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Permit the Chair to state that when the Committee rose on yesterday all general debate had been completed and the Clerk had read section 1 of the bill. Section 1 is now open for amendment.

Mr. GREEN of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Pennsylvania: On page 1, after line 2, insert the following new section:

"That (a) section 101 (b) of the Agricultural Act of 1949 is amended by striking out 'and peanuts' in each place it appears therein. Section 408 (c) of such act is amended by striking out 'peanuts.'

"(b) (1) Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended (relating to marketing quotas for peanuts), is hereby repealed.

"(2) Section 301 (b) (1) (B) of such act is amended by striking out 'cotton, rice, or peanuts' and inserting 'cotton or rice.'

"(3) Section 301 (b) (3) (A) of such act is amended by striking out 'corn, rice, and peanuts' and inserting 'corn and rice.'

"(4) Section 301 (b) (6) (C) of such act is hereby repealed.

"(5) Section 301 (b) (10) (A) of such act is amended by striking out 'wheat, and peanuts' and inserting 'and wheat'; and by striking out '20 percent in the case of wheat; and 15 percent in the case of peanuts' and inserting 'and 20 percent in the case of wheat.'

"(6) Section 301 (b) (13) (B) of such act is amended by striking out 'or peanuts' in each place it appears in the first sentence; and by striking out the second sentence.

"(7) Section 301 (b) (13) (E) of such act is amended by striking out 'cotton, or peanuts' in the first two places it appears and inserting 'for cotton'; by striking out 'corn, cotton, or peanuts' in each place it appears and inserting 'corn or cotton'; and by striking out the sentence which begins as follows: 'For 1942, the normal yield for any farm, in the case of peanuts.'



"(8) Section 301 (b) (16) (A) of such act is amended by striking out 'rice, and peanuts' and inserting 'and rice.'

"(9) Section 361 of such act is amended by striking out 'peanuts.'

"(10) Sections 371 (a) and 71 (b) of such act are each amended by striking out 'peanuts.'

"(11) The first sentence of section 373 (a) of such act is amended to read as follows: 'This subsection shall apply to warehousemen, processors, and common carriers of corn, wheat, cotton, rice, or tobacco, and all ginners of cotton, all persons engaged in the business of purchasing corn, wheat, cotton, rice, or tobacco from producers, and all persons engaged in the business of redrying, prizing, or stemming tobacco for producers.' Section 373 (b) of such act is amended by striking out 'peanuts.'

"(12) Section 374 (a) of such act is amended by striking out 'peanuts.'

"(13) Section 375 (a) of such act is amended by striking out 'peanuts.'"

Mr. GREEN of Pennsylvania. Mr. Chairman, the purpose of this amendment is to eliminate peanuts from the so-called list of basic agricultural commodities, and remove acreage restrictions on the production of peanuts.

Under the present peanut price support program supply and demand are not allowed to function. As a result the program has cost the Government over \$118 million since 1946 with huge surpluses in most years, but a chronic shortage this year.

If my amendment is adopted, peanuts would receive the same treatment which is accorded most commodities on which price support operations are maintained. The price support program would be maintained at the discretion of the Secretary of Agriculture, who would specify support levels anywhere up to 90 percent of parity. Without high mandatory supports acreage restrictions could be removed, production would be increased, and all segments of the industry, including the farmer, sheller, and end user, should prosper.

Overall peanut usage for edible purposes has been reduced from 738 million pounds in 1944 to 573 million pounds in 1953, because of this uneconomic program. I know some of you may say that the high usage occurred in war years when other products were not available and that naturally these markets were lost for peanut products when again competitive products became available. I say to you that there are commodities which gained increased sales during war years but managed to maintain their sales over competitive products in later years, because they offered a real value to the public. There is no better example than the way oleomargarine has maintained its market that it gained during World War II. When peanuts and peanut products represent a good value to the public, peanut sales will increase.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield.

Mr. ALLEN of Illinois. I want to compliment the gentleman on his logical reasoning. I am happy to say that I am going to support his amendment. I do not think peanuts are more of a basic commodity than lima beans or grapefruit or anything else. I hope, if the gentleman's amendment fails here, that

someone will offer a motion to recommend, to send the bill back to the Committee on Agriculture with instructions to remove peanuts from the list of basic commodities.

Mr. GREEN of Pennsylvania. I thank the gentleman.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I was very much interested in the gentleman's statement. I think his amendment should be supported. I personally would be very happy to support it. I hope the gentleman will be in favor of the entire flexible-support program and against the high-price-support program, if the gentleman cares to comment on that.

Mr. GREEN of Pennsylvania. I thank the gentleman from Pennsylvania.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield to the gentleman from Alabama.

Mr. GRANT. Will the gentleman tell the Members what the peanut program has cost the Government this year?

Mr. GREEN of Pennsylvania. I do not have the exact figure. It has cost the Federal Government over the years \$118 million, which I believe is the highest cost the Government has been faced with in the support of any of these basic commodities.

The confectionery industry, which is an important user of peanuts, has reduced its usage almost one-half in the past 10 years. A peanut candy bar sells for a nickel. If peanut prices were at a reasonable level, more peanuts could be put in the bar even though probably it would still be sold for a nickel, but the value to the public would be greater. Usage and sales should increase and the farmer as well as the user should prosper from increased sales.

We have seen over the years, and I know myself, that a nickel peanut bar, which is manufactured in my district, has shrunk so much in size in the last 10 years that it almost looks like a penny bar of candy instead of a nickel bar.

The peanut situation this year deserves special comment. Prices are at unprecedented levels because of a shortage situation existing, and it has been necessary to authorize imports of 51 million pounds of peanuts. Indications are that this import quota will be more than doubled before the new crop becomes available. If the amendment which I am now offering had been in effect, the present shortage situation and the need for importing peanuts would not have occurred.

Support my amendment and you will save the Government a tremendous amount of money, and make possible the growth of an industry which in recent years has been decreasing in importance.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure there is nothing new about this amendment. We have had the same amendment before the House on former occasions.

The evidence before our committee indicated that if you were to lower the

price of peanuts from 90 percent to 75 percent of parity, the end users would not reduce the price of the candy bar by 1 mill. The only result of this amendment is to increase the enormous profits of the end users of peanuts. In doing that you will bankrupt and ruin the producers of peanuts. I say that because I know just what will happen. I know what has happened in the past when we had no control on the acreage of peanuts.

Mr. HOPE. Mr. Chairman, will the gentleman yield on the point he is discussing with respect to the price of peanuts?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. HOPE. The fact is that when we shift to the new parity, which we are doing in 1956, that will mean that in about 4 years' time, at 5 percent a year, the parity price on peanuts will drop 20 percent. So if there are those who think that the cost of peanuts is too high under the program and who are thinking of voting for this amendment on that account, they should take into consideration the fact that the parity price on peanuts, and consequently the support price, at whatever level, is going to go down by 20 percent.

Mr. COOLEY. That is in the course of the coming years.

Mr. HOPE. Yes.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. RIVERS. Will the gentleman follow up that absurd analogy which he gave about the candy bar and say just how many peanuts are in a candy bar and how much chocolate and how much sugar? The gentleman wanted to leave the impression that peanuts are all that are in candy bars.

Mr. COOLEY. No; that is right. Of course, I understand that peanuts are really the cheapest commodity that goes into a candy bar.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VURSELL. Speaking about the change in parity, I know of an old-line candy company that have been putting out a peanut bar who in the last year, because they could not furnish the same type of bar that they have in the past, have had to lay off permanently, until this law is changed, 25 percent of the people they had employed for a number of years.

Mr. COOLEY. Let me just say this. If that is the situation, that is no criticism of the law. It is a criticism which you should direct at the Secretary of Agriculture. I say that for this reason—all right, you may laugh about it, but Mr. Benson has complete authority—he is the only one man in America who has the authority to impose acreage allotments and marketing quotas and to fix acreage allotments and marketing quotas. The farmers have no voice in that. Here are telegrams—all of them are from the users, the end users of peanuts and not from the farmers and farm organizations. They, too, say there is a shortage, but let me tell you this and I am not trying to blame Mr. Ben-



son, but I am saying that he fixed his quotas, perhaps, too low, but he has the authority now to increase them. Just this morning within the last few hours, he increased the farm acreage allotments 7½ percent. Further, the Tariff Commission, after conducting lengthy hearings, permitted peanuts to come into this country, or rather they increased the quotas of imports from 1,700,000 pounds to 51 million pounds. That is a substantial increase. They are peanuts that our farmers could produce, wanted to produce and were prepared to produce. But, let us not indict the program. Let us not destroy the program and the income and the purchasing power of a large segment of our agricultural economy just to increase the profits of the candy manufacturers. That is all there is to it. It is just that simple.

Mr. VURSELL. Is not the purpose of this amendment, as I understand it read, to give the Secretary of Agriculture discretionary authority?

Mr. COOLEY. No, if that is so then even the author of the amendment does not understand it. I certainly did not so understand it. I understand he is trying to take peanuts out as a basic commodity and to take them completely out from under the controls of acreage allotment and the marketing quota law. If I am in error, I trust that the author will correct me.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MORANO. I thought the amendment was to increase the size of the candy bar and not to increase the size of the profits.

Mr. COOLEY. No, it is not that at all. The evidence was that if we were to reduce the price to 75 percent of parity that that would not reduce the price of the candy bar to the schoolchildren and those who use candy bars. I trust that the author of the amendment, who is present, will correct me if I am in error. My understanding is that he wants to do away with all controls and acreage allotments and marketing quotas. If that is true, within 1 year we will have peanuts running out of our ears and the peanut farmers will be bankrupt. Why should we be deprived of this control law? Mr. Benson has not advocated its repeal. I am not saying that because of politics, but he, after all, he is your Secretary of Agriculture.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOFFMAN of Michigan. Mr. Chairman, in view of the fact that the committee had 4 hours of debate on the bill already and some of the rest of us have not had a chance to speak, I will temporarily have to object. Later on in the day, I will not object to such requests.

The CHAIRMAN. Objection is heard.

Mr. VURSELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I know there are some Members on the floor of this House who worship this high rigid price support that was placed on 10 years ago as an incentive for greater production, which some of us think should be held to the flexible provision in the general debate that has been had here, because we think when you have overproduction because of an incentive voted 10 years ago, it would be time to at least partially reduce that incentive. While I know there are some Members who worship this high rigid price support, I did not know that they would be willing to carry it to the point where they would deny the children of America the amount of peanuts they wanted to eat, whether blended with candy or not. I did not know that they would go to the point where they would deprive children of the proper size candy peanut bar that they have been getting heretofore.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I cannot yield at this time.

The facts are that you have got a proposition here where the consumer is being penalized with high prices for a less volume of peanuts. The Government is being penalized at the same time \$118 million since 1946 to date in supporting peanuts as a basic crop. As the gentleman from Illinois [Mr. ALLEN] commented a minute ago, it would be more justifiable to have rigid support prices on many food products, which are now under support prices, than to have this one-half of one percent of our agricultural production held under a 90 percent rigid support price. It is the most ridiculous thing I have seen up to date. It is indefensible.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. The gentleman from North Carolina has made some reference to candy people making a profit, and that if this amendment is agreed to the peanut people will be ruined. The latest information I have with regard to that is that the price of peanuts is 28 cents a pound. I believe that is over 10 cents a pound more than last year. So I would say, from the figures I have, the candy people are making nothing more than a reasonable profit. I would say that when a commodity, whether it be peanuts or lima beans or grapefruit, jumps up 30 percent, probably the greatest profit exists along those fields.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I cannot yield at this time.

Now, are we going to say that we shall have a small favored group that is to continue to throw production out of balance to the point where we have a shortage of peanuts now? The consumer has been losing; the Government has been losing \$118 million or more in the past few years. Are we going to say to this great expanding economy of ours that if we allow peanuts to be grown without any restrictions or limitations in acreage, hundreds of mil-

lions of people of this country who like peanuts will not consume all that is produced. We know that in the end it will give the little peanut farmers of the country an opportunity to make more money than under the present rigid price support.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HOFFMAN of Michigan. If the gentleman from South Carolina or North Carolina and his coworker, Mr. Reuther, would not force the price of farm machinery so high the plight of the peanut farmer would not be so bad.

Mr. COOLEY. Mr. Chairman, a point of order. I wish the gentleman would get his States right.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. BURLESON. The gentleman is discussing the lowly peanut, the candy bar, rigid and flexible price supports, but as a matter of fact is he not against any agricultural program?

Mr. VURSELL. No; I am for the entire agricultural program. I voted some years ago for 90 percent. I voted for flexible supports last year, and I will so vote on this bill. I want to help the farmer by continuing the flexible price supports to let him get back on his feet and regain his freedom.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, here is a candy bar I just purchased within the last 5 minutes. This is the only peanut bar you can buy in the cloakroom. This peanut bar weighs, according to its wrapper, 1½ ounces. You can make more than 14 bars out of 1 pound of peanuts if you made them all out of peanuts. As a matter of fact it has not got very many peanuts in it. Look inside. It has peanuts all over the outside but on the inside nothing but corn syrup. I do not know what corn syrup costs but I suppose it is less than peanuts. I do know we support peanuts at approximately 11 cents a pound. That means that if the bar were 100 percent peanuts it would cost less than three-fourths of 1 cent.

When the gentleman talks about 28 cents a pound he either is not familiar with the law or he does not know a thing in the world about the present market.

Peanuts. We never supported peanuts at 28 cents a pound.

Mr. ALLEN of Illinois. If the gentleman will yield, evidently the gentleman is not hearing very well this morning. I did not say that.

Mr. POAGE. I am glad the gentleman did not say we supported peanuts at 28 cents per pound, because we never have so supported them. What did disturb me was the implication that the 90 percent program caused peanuts to sell for 28 cents. I am reminding you that peanuts were and are supported at approximately 11 cents a pound. Made up into a candy bar such as this the product sells for 85 cents a pound. I just bought this bar at the rate of 85 cents a pound. The peanuts in it cost 11 cents a pound.

As I figure it the candy man cannot be making more than 800 percent.



Eight hundred percent is all the candy man can be making. Apparently there are Members who feel that is not enough. They say that 11 cents is too much for the farmer, but that 85 cents is not enough for the candy manufacturers.

Those peanut growers are the poorest people in our agriculture; you know it and I know it. When we use the phrase "Nothing but peanuts," we use it contemptuously because we look upon peanuts as an emblem of poverty. The poorest land in the South is devoted to peanuts, and the poorest people grow the peanuts.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. And before we adopted this program peanuts were selling as low as 1½ cents a pound.

Mr. POAGE. That is right. More than that these poor people suffered the greatest catastrophe they have suffered in a generation this last year. We had the worst drought last year that ever affected the peanut-growing area both in Texas and in the eastern part of the belt; these little people suffered a tremendous catastrophe. I personally went into a little home out in OMAR BURLESON'S district last fall. I saw the checks that came in from peanuts; the man worked all year long, and it was not one of the smallest farms either, it was a farm of 150 acres. He got \$169 for his entire year's work, and he had a family to feed on that pittance. He was ruined by the drought. But it was that same drought that raised the price of peanuts. That drought raised the price of peanuts, not the law, not anything that this Congress has done, but the disaster that the good Lord sent to those people brought about a scarcity of peanuts, and our Government immediately looking after the welfare of the candy manufacturers opened the doors and admitted 51,000 tons of peanuts into this country.

You talk about what you are doing for the farmers. Surely, we are not here to cut this little man struggling along trying to make a living on \$169 a year for himself and family.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. The point of order is this: The gentleman speaking in a very loud voice looks across over this way and in debate uses the "you ought to do this, you ought to do that." I object to being lectured to as being contrary to the rules of parliamentary procedure.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. POAGE. I will try to look over the gentleman from Michigan and see some of the other gentlemen over there because I know I could not change him. I do believe there are men here who do not honestly agree with him.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. HOFFMAN of Michigan. The gentleman is violating the rules when

he refers to the gentleman from Michigan in that way. The word "you" applies to all Members of the House and cannot be used in debate.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. POAGE. Mr. Chairman, there are Members of this House who are sincerely interested in the welfare of little people this world over. You say you are, and I use the word "you."

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order and I ask that the rules of the House be enforced in that respect.

Mr. POAGE. Have my words taken down. Will you not do that much for me?

Mr. HOFFMAN of Michigan. The gentleman is addressing me?

Mr. POAGE. Yes, you.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask that the gentleman proceed in order under the rules of the House.

The CHAIRMAN. The Chair trusts that the gentleman from Texas will proceed under the rules of the House.

Mr. POAGE. Mr. Chairman, it has been suggested that I use the words "you all" and I will use that phrase. I wonder if that would be objectionable? I ask you all as friends of the small people to see to it that we do not destroy a program that has meant more to more little people than any other farm program we have. And never forget this amendment is intended to destroy this entire program.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to ask the gentleman if during the war we were not crushing edible peanuts into oil for war purposes and if that is not the time when we sustained these losses?

Mr. POAGE. That is exactly right. The Government was paying for them then on the edible basis and using them for war purposes. The Government had to take the loss, of course.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mrs. CHURCH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is with a stout heart and deep conviction that I enter this battle over the lowly peanut. I certainly support the amendment offered by the gentleman from Pennsylvania. I supported the amendment last year to remove peanuts as one of the basic commodities. I will go further and say that I think that they should not have been so included in the first place.

In answer to the question just asked by the previous speaker, I am appealing for the little people of this country who pay taxes. I can see nothing more ridiculous than this program costing the American taxpayers \$118 million to protect a product which represents just forty-four one-hundredths of 1 percent of the agricultural output of this country. Of course, I have respect for the elements that are involved in the raising of peanuts. I have respect for those who do raise peanuts effectively and econom-

ically, but I repeat, I can see nothing more ridiculous than to include among the basic commodities one which is so small a part of our agricultural economy.

I am further surprised when I hear those who would support peanuts at high parity, attacking the candy industry. When I was being brought up in a minor business I was always taught to respect my good customers. I think that the Members here who are trying to protect the peanut growers are forgetting that the candymakers of this country are about their best customers.

Incidentally, and if I may say so not too lightly, there would, of course, be more peanuts in the candy bar at which the last speaker poked so much fun, if supports were removed and peanuts consequently sold at a lesser price. It cannot be denied as regard the use of peanuts that the candy industry is a very good customer of the peanut grower, but in the period from 1943 to now has had to cut its purchase of peanuts by half on account of increased price. I am sure that those of you who in principle believe in expanding trade and in expanding opportunities would agree that an expanding market due to a lower cost of peanuts would benefit the peanut industry, too.

Mr. EDMONDSON. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. Certainly I will yield to the gentleman.

Mr. EDMONDSON. I wonder if the gentlewoman forgets the fact that the farm people of the country and their children are also good customers of the candy industry.

Mrs. CHURCH. I am certainly sure that that is true, but I point out that candy is not only a delightful product but also a source of food. And I go back to my original premise that to protect forty-four one-hundredths of 1 percent of our agricultural production in a way that raises peanuts out of the price at which they can be put into candy is poor for the peanut industry and poor for the families supported by the peanut industry. I hold no brief for the candy industry as such. I speak for the American taxpayers. I speak for the users of peanuts. I speak for the actual ultimate benefit of the growers of peanuts.

If anybody questions the present price of 28 cents a pound for peanuts, they should consult the distinguished gentlewoman from Michigan, who has not fed them to the squirrels lately over at the Capitol grounds, because in this very neighborhood she has to pay 28 cents a pound.

I think this is the time that we ought to approach this whole question with less passion, with more understanding, and with a desire to help the peanut raiser and the peanut user. I support the amendment offered by the gentleman from Pennsylvania.

Mr. ARENDS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Illinois.

Mr. ARENDS. I think it might well be said for the benefit of some Members of the House who were not here when the gentleman from Georgia, Mr. Pace, was a Member that the only rea-



son peanuts ever got into the bill as a basic commodity with support was the fact that Mr. Pace got it in there almost single-handedly. There was no reason for it, and we should get them out at the present time.

Mrs. CHURCH. I have never known how they got in, but I certainly say that they should be out.

Mr. GRANT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have heard about the candy manufacturers and we have heard about the children who cannot buy candy, and now we hear about the squirrels. I thought probably that squirrel episode had been ended.

Mr. SCOTT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SCOTT. I would like to ask whether or not reference to squirrels violates any of the rules of the House, particularly with reference to any Members of the other body.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GRANT. I yield.

Mr. ABERNETHY. Do I understand the gentleman to indicate that there were some squirrels in the other body?

Mr. GRANT. Let us forget the other body and talk about what is before us here today.

When the gentleman from Pennsylvania presented his amendment, I asked him, when he was talking about what this had cost the taxpayers of the country, how much this program had cost the taxpayers this year. What did he say? He did not have the figures. That is a fact. He did not have the figures, because it did not cost anything. If there had been one feature in our farm program where the farmers have put their house in order, it is the peanut farmers of the country. They have reduced and reduced and reduced down to the point where it is hard to make a living with peanuts.

Now we hear talk about the candy manufacturers. Our colleague from Illinois mentioned the fact that the children cannot buy a peanut bar. Well, I would like to talk for a few minutes about the man who is raising these peanuts. That man down on the farm who has reduced his acreage, as it has been reduced in no other crop, has gone along, and we have heard year in and year out here on this floor that the program is costing too much, that we had too many peanuts. That is what you said last year and now this year, the same speakers come back and say we do not have enough peanuts. Enough has been said about 90 percent of parity and about the flexible program and about who is supporting this program. I think the American Farm Bureau recognizes the important part that peanuts play in the economy of this Nation. That great organization wants to keep peanuts as one of the basic commodities.

Mr. Chairman, I should like at this time to yield to my colleague from South Carolina, Mr. McMILLAN, in order that

he may read a telegram from the American Farm Bureau Federation.

Mr. McMILLAN. Mr. Chairman, as chairman of the Subcommittee on Peanuts, I should like to make this statement.

Congress in 1942 designated peanuts as a basic commodity. During the debate on the Agricultural Act of 1954 an effort was made to strike peanuts as a basic commodity and as you know, the Congress rejected this proposal.

Peanuts have been in relatively short supply. We are now importing peanuts in order to fulfill domestic needs. The Department of Agriculture probably will announce in the next day or two an increase in the acreage of peanuts for 1955 in order to meet estimated consumer demand. Farmers in most of the peanut areas have already made their plans for planting and in some cases are in the process of planting now. They have made these plans on the basis of congressional determination that peanuts are to be treated as a basic commodity, and would be supported in accordance with the Agricultural Act of 1954. With a short supply, the Secretary of Agriculture will support peanuts in 1955 at 90 percent of parity.

I believe it extremely unfair to the peanut producers for the Congress at this late date of May 1955 to even consider striking peanuts as a basic commodity.

I have just received the following telegram from the American Farm Bureau Federation:

It would be grossly unfair to the producers of peanuts for the Congress to strike peanuts as a basic commodity since farmers have already made plans for production in 1955.

JOHN C. LYNN,

*Legislative Director, American Farm Bureau Federation.*

Mr. GRANT. Mr. Chairman, I thank the gentleman from South Carolina for that contribution.

I might say to my colleagues that this getting up and crying crocodile tears for the candy manufacturers and for the children who are not able to buy candy, is to be regretted. I think we have the greatest value in the 5-cent peanut bar that we have in any candy today. While everything else is going up, up, and up, that candy bar has been held at the minimum price of 5 cents. You can bet your last dollar that the candy manufacturers are pretty well represented here. As I came into the hall, I saw one of their lobbyists out there. That is perfectly all right, for them to lobby to keep peanuts down. But I want to say that we people who represent the districts where peanuts are grown are asking only in fairness that the price support on peanuts as a basic commodity be continued.

Mr. McVEY. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. McVEY asked and was given permission to revise and extend his remarks.)

Mr. McVEY. Mr. Chairman, I rise in support of the amendment. I was interested in the telegram that was just read by the gentleman from South Carolina [Mr. McMILLAN], in which it was

asked that peanuts be kept on the list of basic commodities under rigid supports. I have a telegram from the president of the Agricultural Association of Illinois who requests that all crops be removed from the basic commodity list. The telegram read by the gentleman from South Carolina comes from the State where peanuts are grown in large quantities, but there are other parts of the United States where the agricultural associations are not in favor of continuing this commodity on the basic list.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield so that I may correct the statement that he made?

Mr. McVEY. I yield.

Mr. McMILLAN. The telegram came to me from the American Farm Bureau here in Washington, not from my State.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield.

Mr. MASON. It seems peculiar to me that the backers of peanuts quote the Farm Bureau in support of their position and then go directly against the Farm Bureau in their support of rigid prices.

Mr. McVEY. We have been told that the loss by the Government in its efforts to support peanuts as one of the basic crops has amounted to \$118,083,436. It is true that loss has not been incurred during the past year, but has been sustained between July 1, 1946, and February 28, 1955. There has been a shortage in the peanut crop last year, but this has not been true of all years.

Although peanuts are not one of our major crops in this country the amount of loss sustained in their support compares very favorably with the amount sustained in the case of corn or wheat. Peanuts account for less than one-half of 1 percent of our national farm income. On a relative basis, therefore, the peanut price-support program is one of the most extravagant expenditures of our Government. The price support program for peanuts has produced surpluses in some years and shortages in others. As late as July 1954 the Government held large stocks which were crushed and sold for oil at substantial losses. Because of this situation Government acreage allotments were reduced to a minimum. This reduction in Government acreage allotments along with the drought in the year 1954 severely reduced the crop, and a shortage developed which has been disadvantageous to both growers of peanuts and consumers of this product.

My attention has been invited to a statement issued by the publication entitled "Peanut News" under date of May 21, 1954. This article in the Peanut News contained the following summary of problems created by the manner in which the peanut industry is being administered under the crop-support program:

Growers will lose because they will have fewer peanuts; shellers and crushers will lose because they will have fewer peanuts; brokers will lose because the higher price will reduce the market; manufacturers will lose because their sales will be reduced and because they will have to pay more for the peanuts they buy; consumers will lose because they will



have to pay a higher price for peanut products, and taxpayers will lose because the Government will get stuck with a greater surplus.

If the analysis of the peanut situation as presented by Peanut News is correct, it would seem that the remedy for a problem of this character will not be solved by the continuation of peanuts as one of the six basic crops. Because of the uneconomic program both to growers and consumers of this product, overall peanut usage has dropped tremendously in recent years. Manufacturers who are important users of this product have reduced the amount they use from 209 million pounds in 1943 to 118 million pounds in 1953. It is believed that the confectionary industry would resume the use of peanuts on a much larger scale if growers of peanuts were not hampered in a manner that produced shortages in the industry, and if they could be produced on a realistic and economic basis.

Much of the complaint we have heard with regard to the price support program is due to the situation in regard to a few commodities such as potatoes, eggs, butter, and peanuts. The conditions in these industries have caused the entire program to be looked upon with disfavor. There has not been a full public awareness of the sad story with regard to the peanut industry. It is hoped that when the public does become cognizant of the facts concerning the peanut situation it will loudly protest the continuation of this industry as a part of the price support program.

It is believed, in the light of these facts, that peanuts should be eliminated as a basic commodity and placed in the category of a nonbasic commodity without acreage restrictions. If this is done, it should be only a course of time until supply and demand will be brought into balance. Under such a program the situation described in Peanut News, to which I have referred, would be eliminated, and both sales and usage would then increase. It is a pleasure to support this amendment.

Mr. COOLEY. Mr. Chairman, I want to see if we may not be able to agree on limiting debate on this amendment. I ask unanimous consent, Mr. Chairman, that debate on this amendment be limited to 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Chairman, the gentleman and those in support of this bill had all day yesterday to debate this bill. Why not let us alone and let us talk ourselves out, which we will do much more quickly than if an attempt to limit us is made. Just let us go on. Otherwise we will have to put the vote over until tomorrow.

Mr. COOLEY. I might say to the gentleman from Michigan that peanuts were not even mentioned yesterday. This is an amendment which we did not anticipate. It is an amendment which was not considered in committee. We do not know anything about the views of the Secretary of Agriculture about the amendment.

Mr. HOFFMAN of Michigan. There are 15 or more Members on their feet at the present time seeking recognition.

Mr. COOLEY. I understand that. If the gentleman wants to object, the gentleman has the right to do so. I am just trying to move on with the bill.

Mr. HOFFMAN of Michigan. Why not be as liberal with those of us who want to speak on it as with those who are to receive subsidies?

Mr. COOLEY. Does the gentleman want to speak on it?

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I will modify my request. I ask unanimous consent that debate on this amendment close in 1 hour.

Mr. HOFFMAN of Michigan. I do not want to be obstructive or start a filibuster but I do say this: If you are to try to shut us off, some of us will try to get the time we want, and one way or another we will get it.

Mr. COOLEY. I am not trying to shut you off. The gentleman can object. I will ask for an hour and 15 minutes or an hour and a half. It does not make any difference to me. I just want to close debate some time.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that debate on the amendment close in 1 hour. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

(By unanimous consent (at the request of Mr. DORN of New York), the time allotted to him was granted to Mr. MULTER.)

(Mr. FINO asked and was given permission to extend his remarks at this point.)

Mr. FINO. Mr. Chairman, the matter of farm price supports is not only important to farmers; it is of great concern to city people as well.

Both wage earners and housewives have a stake in what we do with the bill pending before the House today. And I can tell you that my mail shows that they know it and are watching what we do.

Taxes have been cut, and we hope they will be cut more, but they are still heavy. Anyone, regardless of his income, who sees billions of dollars of taxpayers' money tied up in surpluses in warehouses, refrigerators, and elevators, is going to oppose the program that causes this waste. Any housewife who knows the amount of her husband's pay check that goes to pay the cost of feeding and clothing her hungry, vigorous, growing children, is going to resent it if she knows that part of the money she spends goes to pay artificially high prices, or if she has to buy less of the good, basic, nourishing foods because a Government program has priced them out of her market.

We city people believe that farmers have a right to a farm program. But it has got to be a fair one. It has got to be realistic, or sooner or later the cities are going to rebel.

We would do well to remember what happened when the potato program went wild. During that program potato prices were kept high; but even with high prices the housewife could not buy good potatoes. The good potatoes were going to the Government to be stained blue and then fed to livestock.

City people helped to pay the half-billion-dollar cost of the potato fiasco. They do not want any more programs like it.

Mr. MULTER. Mr. Chairman, I dislike very much to rise in opposition to my many distinguished friends and colleagues on the Committee on Agriculture. I think most of them know I have followed their recommendations, particularly the recommendations of the distinguished chairman of the committee, in years gone by, and I intend to do it again today, in the main. I hope this amendment will prevail. Whether it prevails or not, I am going to support the committee's recommendations on this bill for rigid price supports because I think that is what is best for the farmer and best for the country.

At the same time, I am firmly of the opinion that peanuts are not a basic commodity and should be excluded from the act. There has been some heat generated here as to who was being represented by whom. Of course, the gentleman representing the peanut farmers should make their case here, and the gentlemen representing the manufacturers and the industrialists and the consumers should also make their case, and it should be done without heat and solely based on the facts.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. DORN of New York. Does not the gentleman speak for the candy-consuming public of America, really the children of America, in supporting this amendment?

Mr. MULTER. Not only the candy-consuming public, but also the peanut-consuming public. Bear in mind that Ebbetts Field is in our great Borough of Brooklyn, where more roasted peanuts are eaten than anywhere else in the world.

Mr. DORN of New York. Have you not found year after year in attending the games and watching Brooklyn win game after game that the peanuts you get in that bag are getting fewer and fewer until at the present time there are just about 12 peanuts in that little peanut bag for which you pay 10 cents.

Mr. MULTER. That is right.

Mr. DORN of New York. I want to go on record in support of this amendment.

Mr. Chairman, most of the members of this great Committee on Agriculture have supported me and my colleagues on housing legislation and on other minimum wage bills, which are of peculiar and particular interest to our districts and we appreciate their support. We say this, the instant amendment is of just as much interest to us as it is to the peanut farmer. We do not want to hurt the peanut farmer, but something is radically wrong with the program. I do not go along with the



distinguished chairman when he says it is not the fault of the Secretary of Agriculture. I think his administration is bad. One hundred and nine million dollars was lost on the peanut program up to July 1, 1954. In the following eight months, ending February 28 this year, there was another \$9 million loss on this program. Since that time the Tariff Commission has opened the doors to allow a substantial increase in the importation of peanuts into the country. Whereas a year ago shelled peanuts were selling at 18½ cents a pound they are now selling at 28 cents a pound. The candy manufacturer is not making any 800 percent profit. The difference may be 800 percent but I doubt it, between the cost of the peanuts and the candy bar. If you assume that the candy manufacturer gets for nothing the corn syrup and the sugar and the other ingredients and the paper and the labor and the printing and the cartons and the transportation to and from his place and the advertising, then maybe there is a spread of 800 percent. So I say I doubt there is any such differential.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Georgia.

Mr. FORRESTER. I thought we had come to an understanding with you Brooklyn people that you would pay us 10 cents a bag for peanuts and we would continue to pay \$75 for a \$15 suit of clothes.

Mr. MULTER. No, no. I would not let you do that. Let me go out with you and help you with your shopping. I will get you a \$75 suit for less than \$75. I will not let you pay \$75 for a \$15 suit of clothes.

Mr. FORRESTER. But the trouble is we do not have you here all the time to do that.

Mr. MULTER. Let us get back to the peanuts.

I am firmly convinced that there are many things about the farm program that can be improved. Some improvement can be brought about by legislation; much improvement can be brought about by proper administration. I think eventually we will come around to adopting the Brannan plan for all farm products just as we have already adopted it as to wool, and are well on the way to adopting it as to dairy products. The operation of the farm program with reference to the dairy products is as scandalous as the potato program.

While we all agree that the farmer needs help and should be helped to remain prosperous as the keystone of our American economy, we must not require the consumer to pay for such help twice, first with his taxes that are used to pay the support prices, and then by paying for the products at high prices in the market place. In my opinion a part of the farm program which gives the farmer a black eye is including peanuts as a basic commodity.

I do not go along with those who say that since peanuts are grown in only a small part of the country peanut farmers are not entitled to our help. I think every part of our country, no matter

how small, that is in need of help should be helped. That goes for the miners in West Virginia and in the West, as well as for the farmers of any particular area.

At the same time we must examine and find out what is wrong with the programs, such as the peanut program, which accounts for less than one-half of 1 percent of the national farm income, and yet accounts for a bigger loss than the butter program has caused, and for almost as much loss as is caused by each of the wheat and corn programs.

As of April 30, 1954, losses on corn amounted to more than \$120 million and on wheat to more than \$117 million, and on peanuts to more than \$109 million. The peanut program loss must be compared with a loss of almost \$70 million for the butter program in the same period.

There must be something radically wrong with the peanut program. In most of the other programs while the demand has not kept up with the supply, consumption of the particular product has, nevertheless, increased, although not enough to use up the entire surpluses.

The situation is different with peanuts, however. There we find that the consumption of peanuts has, over the years, decreased, and in large part we believe that is due to the high cost of peanuts. The overall usage of peanuts from 1944 to 1952 has dropped by almost 200 million pounds.

The confectionery industry alone used over 209 million pounds in 1943, and in 1952 that industry used only 120 million pounds. It is my firm conviction there is no more reason for having peanuts considered a basic commodity than there would be to consider raisins, cocoa beans, or citrus fruits basic commodities. Certainly the dairy products are more basic than peanuts.

I appreciate the contribution made to the war effort by the peanut farmers and I would be the last one in the world to cause them any harm. I do believe, however, that the program as presently written into the law is wrong and needs correction.

The processors and manufacturing enterprises that use peanuts and the consuming public are all in agreement that the peanut farmer is entitled to a price which will give him the complete return of his investment, plus a fair profit, which will give to him a decent standard of living.

At the same time the only way the peanut farmer can be maintained is to increase consumption both by the processor and manufacturer, as well as by the eating consumer. Treating peanuts as a basic commodity has not solved the problem. Let us now try to get together and work out a proper solution that will bring about the desirable result of saving the taxpayer's money, giving the farmer what he is entitled to, and increasing the consumption of the product.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of Texas. Mr. Chairman, I ask unanimous consent

that the time allotted to me may be granted to the gentleman from Georgia [Mr. FORRESTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, we have heard a great many times that there is no use in reducing Government contributions to anybody or to any group of people because it does not reduce the price to the consumer or the cost of the product. Yet we have seen that the reductions in the Government budgets in the last 2 years have actually and definitely helped in keeping the cost of living level for the last 4 consecutive months by halting the inflationary process.

What has not been brought out in the discussion of the amount that this program cost, \$118 million, a large amount, is the fact that that money is given for the support of a product which accounts for only one-half of 1 percent of the national farm income. Actually, the savings from elimination of this costly program will be great enough to support the school-lunch program for more than 2 years. A great many of you who are in favor of that school-lunch program, as I am, can finance it for more than 2 years by denying price supports to a commodity which ought not to be supported at this time.

What has also been lost sight of is the number of bites taken out of the candy bar by the local, State, and Federal Governments before the producer can get it to Ebbett's Field or to its ultimate destination. In my State, in addition to the Federal tax, in addition to the price support, which accounts for almost double the increase in a single year in the cost of peanuts, the candymaker pays in Philadelphia under the present costly city administration a gross profits tax, he pays a mercantile license tax, and a 1 percent wage tax. Now, the most discriminatory and irresponsible tax ever proposed in Pennsylvania comes along from Governor Leader. These new taxes will add additional taxes levied on the candy bar in the form of a 2-percent income tax and 5 percent on the capital investment of the candymaker. It is no wonder there are so few peanuts in a candy bar with everybody taking them out.

(By unanimous consent (at the request of Mr. PHILBIN), the time allotted to him was granted to Mr. O'NEILL.)

The CHAIRMAN. The gentleman from Massachusetts [Mr. O'NEILL] is recognized.

Mr. O'NEILL. Mr. Chairman, I think the people of America would be greatly alarmed and upset if they ever could realize that over the period of years from January 1946 to February 1955 it has cost the American taxpayer \$118 million to support the price of peanuts.

At times I wonder how peanuts ever came to rate being called a basic commodity. It has no more right to be



called such than cranberries or carnations.

My State, Massachusetts, is not an agricultural State, yet we are the largest cranberry growers and the largest growers of carnations in the world. Should we be under the basic commodities? We are not interested; we do not want to be under parity, and I do not think the peanut growers should be under the basic parities. As a matter of fact I think it is about time we retrenched on this agriculture program. What has it amounted to over the years? Peanuts comprise .44 percent, or less than one-half of 1 percent of the agricultural production of the United States and yet it cost us \$118 million over a period of about 12 years.

The particular area I represent in Boston, Cambridge, and Somerville, is the world's largest candy manufacturing district, and pride compels me to say also that it produces the finest candy. We have there about 15,000 people employed in the manufacture of candy. I am talking about the people who are engaged in making candy, about 15,000 employees.

I am aware of the Embargo Act, I am aware of the embargo protection of peanuts, as I am also aware of what is taking place before the Tariff Commission the past year. I also am aware of the fact that we are allowing 51 million pounds of peanut imports at the present time.

But I also realize this, that in the particular area I represent, the candy industry, because of the high cost of peanuts, have lost about 5 percent of their business.

There are only two other places in the world where peanuts are grown, one is in the Philippines and the other is in India. The English import their peanuts from India and the Philippines. They make chocolate-covered candy bars with peanuts in them; consequently they ship the candy bars at a cheap price to this country.

English imports have caused 5 percent unemployment in the candy industry and a 5-percent loss of this business in my area alone. This means 750 men and women in Greater Boston alone are out of jobs.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. KEATING. I want to reiterate the argument of the gentleman for it is eminently sound, and that is exactly the situation in my area. Loss of employment in the candy business in my area has amounted to about that percentage and has been brought about by the very factors brought out by the able gentleman from Massachusetts.

Mr. O'NEILL. I want to thank the gentleman from New York and others who appreciate what the situation is and hope they will support the amendment offered by the gentleman from Pennsylvania [Mr. GREEN].

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. BOLAND. I think the gentleman is making a very strong case for his particular area, but in order that the

Members may get the full significance of the situation I wish he would repeat his figures as to the number of people thrown out of employment in the candy-making industry.

Mr. O'NEILL. As I said, that particular industry in my area employs 15,000 people. They have lost 5 percent of their business because of the high price of peanuts. Further pursuing the equation, it results that approximately 750 people have lost employment in the particular district I represent. I realize that Philadelphia, Chicago, New York, and other sections of this great Nation also have candy-manufacturing problems.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. VURSELL. I have done some research on that very problem myself and my figures come out about as those of the gentleman from Massachusetts, 5 percent seems to be about the proportion all over the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

[Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.]

[Mr. HOFFMAN of Michigan addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I wonder if we realize the real effect of this amendment? We hear much about the cost of peanuts, we hear much about the cost of the program. I think we ought to get settled first the program. It was getting on fine before World War II. However, during World War II it developed that the Government of the United States needed peanut oil. It begged and pleaded with our peanut farmers to increase the production of peanuts. Peanuts, of course, could not be produced at a fair profit for oil purposes only. If the Government desired oil it had to subsidize the production of peanuts, the Government would have to pay the edible price for peanuts for oil. That cost considerable money.

Then when the war was over in 1946 the Government had to retrench and there had been a gradual retrenchment from that time to this. You will find that the great cost of this program came from the war effort and should not be charged to the peanut farmers of America.

The program we have now is designed to give protection to the peanut producers. If there is a shortage of peanuts today it is no fault of the producers. It is either the fault of the miscalculation of those charged with the administration of the program or it is due to the elements. There was a drastic shortage this year because of the drought. But the producers and the in-users got together before the Tariff Commission and agreed to the importation of peanuts so that the needs and the demands of the trade would be met.

We realize that there was a shortage. But the Secretary of Agriculture has just announced an increase of 7.5 percent.

(Mr. ABBITT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Chairman, while I may not be an agricultural expert, I think, however, I know enough about the law to realize that even though peanuts could be removed under this amendment as one of the basic commodities, it does not necessarily follow that price supports will fail, because under the law, if my understanding is correct, the Secretary of Agriculture can have price supports on any crop.

Mr. Chairman, I rise in support of the amendment to remove peanuts as one of the so-called basic farm crops. It is my understanding that some of my colleagues from Virginia and North Carolina and Texas only last week personally went to the Department of Agriculture and appealed to officials of the Department to increase peanut acreage allotments in the Virginia, North Carolina, and Texas areas. I mention this to illustrate that even in at least some of the peanut producing States the producers themselves recognize the need for increased acreage allotments. In September 1954, the farmers knew of the impending peanut crop shortage, yet they could not get permission to plant additional acreage.

I hope that these same Members of Congress who last week personally went to the Department of Agriculture to obtain increases in the acreage allotments will today support this amendment, which would provide for unrestricted production.

I recognize, as do they, the need for increased acreage, but I contend that it is unsound economics and poor business policy for our Government to increase acreage without removing the high mandatory support. The cost of the peanut program has been over \$118 million.

Therefore, I urge support of this amendment which would remove the acreage restrictions, and would also remove the high mandatory support prices.

Any program that has cost \$118 million, which has brought about declining usage, kept prices very high, resulted in huge surpluses in most years but a severe shortage in the current year, is an unsound program and ought to be changed. This amendment would accomplish that and should bring about a healthy situation in the entire peanut producing, shelling, and consuming industries.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Does not the gentleman realize that the farmers are the greatest consumers of any group in the country, even greater than the city dwellers?

Mr. SHEEHAN. I cannot quite agree with the gentleman's statement, because I guess that only about one-eighth of the people live on farms and seven-



eighths are city dwellers, therefore, the city dwellers are by far the greatest consuming group.

Mr. WICKERSHAM. What I meant was per capita consumption.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, this fight to remove peanuts from the group of basic commodities is almost as old as our price support program. Year after year the candy manufacturers and some other end users of peanuts have been coming to this Congress asking that an amendment similar to the one introduced by the gentleman from Pennsylvania be adopted. Now, to many people in America, farm people, peanuts not only are a basic crop; it is the only crop that those people can grow. If you knock the price out from under their product, peanuts, it can mean only one thing as I see it, and that is bankruptcy for many of them. Several years ago an amendment offered to take peanuts from the basic group of commodities also included rice. Now, my prediction is that if this amendment prevails, next year or the year after there will be an amendment offered to take wheat out of the group of basic commodities; the next year, rice. It is the most effective way to kill our program of price supports. I think a majority of the Members of this House approve the price support program. We may differ in some detail.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Kansas.

Mr. HOPE. While the gentleman is suggesting what might be taken out, he might also think of sugar, because the same lobby fighting the peanut bill will be fighting the sugar bill.

Mr. ANDREWS. I think the gentleman is exactly right.

Mr. HOPE. Many of them are interested in sugar.

Mr. ANDREWS. I think this is the beginning of a determined effort to break the price support program, and if those of us who are interested in the welfare of the farmers of America do not stick together, they can whip any group of us singly.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I take this time to ask a question or two of the chairman of the Committee on Agriculture. The gentleman from North Carolina [Mr. COOLEY] has stated that we are importing some 50 million pounds of peanuts from foreign countries; is that correct?

Mr. COOLEY. That is right.

Mr. GROSS. Where are those peanuts coming from?

Mr. COOLEY. I am not quite sure where they are coming from; but it became necessary to import these 50 million pounds because of the drought which Mr. Benson could not foresee. No one questions Mr. Benson's motives in fixing the quotas and acreage allotments for 1954 nor for 1955. As reported in the

debate this morning, he has increased the acreage allotment 7.5 percent. I know that Mr. Benson is anxious to see that the domestic market is adequately supplied, it is not an indictment of the program, because Mr. Benson fixed his goals too low.

Mr. GROSS. Are those imports coming in under the so-called Reciprocal Trade Agreements Act?

Mr. COOLEY. Yes.

Mr. GROSS. And some of them are coming from India, I assume.

Mr. COOLEY. And probably Africa.

Mr. GROSS. From which we have had little or no support in the war against communism. Let me ask the gentleman another question. It has been developed here that we are importing candy from Great Britain. I wonder if the gentleman could tell me the pay scale of labor in the candy-making industry in Great Britain as compared with the pay scale of those making candy in this country.

Mr. COOLEY. Unfortunately, I am not in a position to answer the gentleman's question.

Mr. GROSS. But we are getting candy from Great Britain; is that not true?

Mr. COOLEY. I am not certain about that.

Mr. GROSS. And we have in the past given them billions of dollars to support their economy, and we are giving them support now; is not that true?

Mr. COOLEY. That is true.

Mr. GROSS. So now we are going to take it out of the hides of the American farmer and out of the hides of American labor, because Britain is shipping read-made candy into this country.

Mr. COOLEY. I do not have any reason to doubt the gentleman's statement.

Mr. GROSS. I am surprised to hear some of the people who are advocating this amendment on the floor of the House who are supposedly great proponents and supporters of American labor.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I should like to point out to the membership of the House that I think the faith of our great Government is at stake at this moment. Under a law enacted by Congress the Secretary issued his necessary proclamation imposing acreage allotments and marketing quotas. The peanut producers have accepted the Secretary's advice. They have reduced their acreage. They are trying to keep production in line with reasonable consumer demand and to comply with the letter and the spirit of the law. To bring that about, Congress authorized the Secretary to fix the price-support level.

Under the present program for 1955, the Secretary could have lowered that price to 82.5 percent of parity. But instead of doing that, he has maintained the support level at 90 percent of parity. After having made that contract, that agreement with the farmers of America we are now asked to break faith with the Secretary of Agriculture and to put him in a position where he will be powerless to control the acreage. And to carry out the contract.

Under the law, the Secretary is morally and legally bound to pay the price support that he has promised to pay. If the House adopts this amendment, farmers can double their acreage of peanuts, bring in a huge crop and then Mr. Benson must put the money on the line and support unlimited production of peanuts, something which the peanut producers have never advocated and something that I have never proposed.

Let us be serious about this. Are we going out and help a lot of profit-making candy manufacturers and, in our efforts, break faith with a great segment of our agricultural economy and embarrass the Secretary of Agriculture who belongs to the minority party, who has not been before our committee to ask that this drastic action be taken?

Why should we take this action today and break faith with all parties involved?

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, many aspects of this matter have been discussed by previous speakers, but it seems to me that there is one which has not been sufficiently emphasized. I believe that this amendment ought to be supported because it would be of direct and appreciable benefit to those who are the consumers in this Nation of ours. That has been touched upon, but perhaps not a sufficient point has been made of it. If peanuts are a little lower in price to the public, certainly more of them will be used. More of them will be put into candy bars, as has been pointed out, more of them will find their way into the hands of consumers at baseball games and elsewhere. The demand will be increased. More peanuts will be used. By that very fact it follows logically that there will be a greater demand made upon the supplies which can be produced by the farmers who grow peanuts. So it seems to me that we will be benefiting both segments of our population by adopting this amendment, since we will be putting more of this good food into the hands of those who use it, and at the same time we will be creating a greater demand so that the farmers who produce them will then have a larger market and accordingly will be assured of a fair price for them.

On that basis, Mr. Chairman, it seems to me this amendment ought to be supported.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

(By unanimous consent, Mr. LONG was permitted to yield the time allotted to him to Mr. ABERNETHY.)

Mr. ABERNETHY. Mr. Chairman, in the time I have been in this House, about 13 years, I have always found that when the House understands an amendment it attempts to do the right thing.

This is the most lengthy amendment ever proposed to any bill our committee has brought to the House in my experience. It came wholly by surprise. It was not proposed or offered in the committee. I doubt seriously whether anyone actually understands it. I do not



know who drafted it. I am reasonably sure the author did not. Assuming it will do what he says, let us examine and determine the effect of it.

Price supports on peanuts for the 1955 crop have been fixed. It has just been said by the gentleman who preceded me that this would result in a cheaper price for peanuts. It will not. The Secretary has already announced that the price support on the 1955 crop will be what—not 75 percent of parity, not 80 percent of parity, not 85 percent of parity, but 90 percent of parity. That is final. It is a closed deal. The contract has been signed, sealed, and delivered.

The Secretary has already fixed the acreage allotments. But you are making an attempt, whether you know it or not, to take off the acreage allotments. You will be authorizing the planting of unlimited acreage. If you do take off the acreage allotments you will transpose the program from one of soundness to one of utter unsoundness. By doing so you will fill every peanut warehouse in this country with surplus peanuts, at what price? At 90 percent of parity.

When you vote on this amendment you should ask yourself this question: The price has been fixed; since it has been fixed, would it be more sensible, would it be more reasonable, to vote for an amendment which actually will not change the retail price but which will fill the warehouses with peanuts at a high price; or would it be better for me to leave it where the Secretary fixed it, at 90 percent of parity, with acreage fixed at a production level at which peanuts will move into the market and not into the warehouse? That is all there is to it.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Illinois.

Mr. MASON. What is 90 percent of parity on peanuts today, that is, the number of cents?

Mr. ABERNETHY. I cannot answer the gentleman. There is not a peanut produced commercially in my district. I do not have any commercial peanut farmers.

Mr. Benson and the peanut growers had a conference about the situation in the months gone by. They have reached an agreement among themselves as to what the level of production should be—I mean the number of acres. They have agreed and the acreage has been allotted. The price has been fixed. There is still no surplus. In fact, there is a shortage. There was a slight shortage last year because of the drought. Now if you adopt this amendment, there will not be enough warehouses in the State of Georgia to take care of the peanuts that will be produced this year. At what price? Ninety percent of parity. Who is going to buy them? Only Uncle Sam will be the buyer and you will have contributed to one of the problems we have all tried to solve; that is, surplus production.

Mr. MASON. Ninety percent of parity would be a good deal less than 28 cents a pound.

Mr. ABERNETHY. Ninety percent of parity, as I understand it, would only be

about 11 cents a pound. That is all it would be.

Mr. MASON. That is right.

Mr. ABERNETHY. That is the average. But if you fix price supports at 90 percent on unlimited production, which this amendment would do for 1955, what are you going to do with the peanuts? The candy manufacturers are all sitting up there in the gallery. I have seen several of them today. They testified before our committee last year. They will not get peanuts a penny cheaper during 1955 under this amendment. They will still have to buy peanuts supported at a price of 90 percent of parity. If anyone challenges that statement, I wish he would rise and do so.

Mr. MASON. I will challenge that statement because they will be buying peanuts if there is an abundant supply at a good deal less than 28 cents and still be paying more than 90 percent of parity.

Mr. ABERNETHY. May I point out to my friend that the farmers' price on peanuts on the average is 11 cents, which is 90 percent of parity. Now who but the Government is going to take all of these peanuts produced from unlimited acreages. These folks, the candy manufacturers are not going to take them. They cannot use that many peanuts. It would be impossible for them to do so. Who is going to buy them—that is the question. Let us not fill the warehouses of this country with peanuts. That is just what this amendment would do.

In all sincerity I do not believe the House wants to do that.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. BURLESON].

Mr. BURLESON. Mr. Chairman, the gentleman from Mississippi [Mr. ABERNETHY] who has preceded me has really touch on a fundamental issue involved in the debate on this amendment. There is no question but that this is an effort to hack away at the foundation of the entire farm program. I would not indulge in a generality and make a blanket accusation that every Member of this House who supports this amendment, does so for the purpose of wrecking the entire farm program or that he is opposed to it. I do state, however, that many of those who have spoken have indicated enough for a fair mind to conclude that they oppose any phase of a farm program and that the lowly peanut is not the only crop or commodity involved.

It is certainly not my purpose to play one segment of our economy against another for any ulterior motive. I regret to see injected in this debate any inference that one economy of the country is entitled to preferential treatment at the expense of another, but that is the tack taken by those who would destroy the price-support system for peanuts by removing peanuts as one the six basic commodities.

Since that is the attack by those who have expressed such great concern for the candy manufacturers and the con-

fectioners, let me remind you that if the farmers of this country are subsidized, and particularly the peanut farmers about whom we are talking at the moment, compare this pittance with the tremendous tax writeoff given the huge corporations of this country.

As every Member of this body is aware, billions are involved in tax writeoffs for plant expansion over a period of 5 years. I checked into this matter more than 2 years ago and found this writeoff to be about \$18 billion. That was in a period of approximately 2 years. Today it is probably more than double. It seems it is very difficult to get any accurate estimate of it, but I have heard the figure of around \$40 billion.

Those who want to see peanuts removed as a basic commodity repeat over and over again that the loss in the peanut program has been \$118 million. They leave the impression that the loss has only just occurred and fail to emphasize that it has been over the entire period of years since the inception of the program. They also fail to recognize the fact that during the war our Government insisted on the greatest possible volume of peanuts and encouraged the farmer to increase his yield. The peanut farmer responded with every effort at his disposal. He purchased new and expensive machinery to plant and harvest his peanut crop. Many went in debt for this purpose, but the conditions at that time existing did not continue and he finds himself today in the position he was in before this situation came into being. He is in the same condition, except considerably worse off in some respects because of his investment, which he cannot now use to the fullest advantage.

Let me make it clear that I have no criticism of what it takes to expand plant facilities which may be needed in our national defense. Hence, I say that, just as it was necessary for the peanut farmer to produce the greatest possible amount of peanuts for the war effort, so it is necessary according to the experts for the great corporations' operating plants which may be devoted to a war effort, to have certain tax advantages. But let no one forget and let no one ignore that the situation is analogous except in the amount of money involved. In this respect there is no comparison between \$118 million over a long period of years and the sum of billions of dollars over a period of 5 years.

Mr. THORNBERRY. Will the gentleman yield?

Mr. BURLESON. I yield to my colleague the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Is it not a fact that the oil produced from peanuts was a vital product in the war effort?

Mr. BURLESON. The gentleman is entirely correct. Peanut oil was used to great advantage and necessity in the manufacture of munitions.

Under the program at that time the Government purchased peanuts at the edible price and not at the oil-crushing price, which was lower, because it was an emergency and necessary for them to



do so. This, as it has been pointed out by other speakers here today, accounts in the greater part for the \$118 million figure held up by the proponents of this amendment as the staggering loss on peanuts under price supports.

Charge it where you will and criticize it as you may, but remember it is today when you are doing it and not at the time when we were fighting for our lives.

Mr. IKARD. Will the gentleman yield?

Mr. BURLESON. I yield to my colleague from Texas [Mr. IKARD].

Mr. IKARD. Something has been said here regarding increased cost to the end users of peanuts and peanut products. This expensive machinery to which you refer was manufactured in the industrial areas. Did not our farmers contribute to the economy of industry in purchasing this equipment?

Mr. BURLESON. I thank the gentleman for making that point. Certainly the farmers of the South and Southwest are the real customers of our industrial East and Northeast in practically all manufactured products. Not only do they buy their tractors and plows, their hoes and their rakes, manufactured mostly in the Midwest and the North, but they buy their automobiles, their radios, and fly swatters, or whatever it may be, from the same areas.

If the farmer prospers, so prospers the entire country. When the farmer suffers disaster, when his prices are depressed and he does not prosper fairly, inevitably the entire economy of the Nation suffers. If that is not true and if it does not come to pass under conditions which you recommend here today, then it will be a reversal of all historic trends heretofore definitely proved.

I urge and beg the Members of this House not to accept this amendment. Those of you from the city areas are victims of false propaganda if you believe for 1 minute that the end users of peanuts and peanut products are going to benefit by removing peanuts as a basic commodity. I think I am correct, and if I should be in error, I stand here subject to challenge, but I believe the record of testimony before the Committee on Agriculture will bear out that certain representatives of the candy-manufacturing industry have admitted under cross-questioning, that if peanuts were given to the manufacturer, the size of the candy bar would not be increased, nor the price decreased. Yet, they appeal to you in the name of schoolchildren that the consumer must be protected from the high prices demanded by peanut farmers, who are struggling for their very existence. You would truly have to know the story from the time a costly peanut seed was placed in the ground until it was finally consumed by a schoolchild in the city of Chicago, to really know how completely absurd is such a contention.

Mr. THORNBERRY. Mr. Chairman, will the gentleman yield further?

Mr. BURLESON. I gladly yield.

Mr. THORNBERRY. Is it not a fact that our peanut farmers have voluntarily agreed to certain reductions in acreage in order to guarantee a sound support-price program?

Mr. BURLESON. That is correct. Last year representatives of peanut growers appeared before the Agriculture Committees of Congress and said they were willing and desirous of reducing their acreage by 5 percent per year over a period of several years in order to bring supply in line with demand. The farmer wants a sound program. He wants to be on solid ground and he wants to make a decent living. If this amendment should pass he will have the ground cut from under him and he cannot make a decent living raising peanuts.

(Mr. BURLESON asked and was given permission to revise and extend his remarks.)

[Mr. THORNBERRY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, I trust this amendment will not be agreed to. In 1941, the last year before World War II, peanut farmers grew 1,610,000 acres of peanuts. Shortly after the war started the Government began asking farmers to expand their peanut production, and by the latter part of the war the peanut farmers of America were planting about 3½ million acres of peanuts, or more than twice as many acres as they had been planting prior to the war. At the end of the war large quantities of peanuts which had been purchased for war purposes were in the hands of the Government. These had to be crushed and sold on the oil market at the oil price, which was about 50 percent of the price paid for edible peanuts. As a result, the Government sustained losses on peanut production, just as it sustained losses on ships, planes, guns, and other things that were ordered but not delivered until after the war had closed.

We have also heard about the shortage of peanuts last year. That shortage was due to the drought and not to the price-support program. In nearly every peanut-producing county in the United States last year the farmers suffered one of the severest droughts in the recorded history of those counties. That is why peanuts were imported into this country this year, and that is the main reason why the Department has increased the allotment this year.

Now peanut farmers have adjusted production in line with demand. This program is no longer an expense to the taxpayer. The program is working well and should not be disturbed.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. GREEN].

Much has been said about the cost of peanuts to the consumer and the cost of peanuts to the Government. Practically everything has been said to explain the origin of the program, the cost of the

program, and what the program has done. There are other things that go into the cost of the manufacture of confections, which of course might be the cause of complaint about the high price. The cost of peanuts to the Government, as the gentleman from Oklahoma [Mr. ALBERT] told you, is correct. The \$118 million loss was due to the fact that representatives of the Government went about the country encouraging people to increase their acreage so as to produce oils and fats, not only for ourselves during the war but for our allies, and we expanded the acreage of peanuts accordingly. That brought about the \$118 million cost that is so often spoken of. The cost to the consumer today is not the farmer's cost. The farmer is getting 11 to 12 cents a pound for peanuts. The difference is the cost of handling between the farmer and the consumer. The cost of marketing, the cost of transportation, the cost of cleaning and preparing and shipping to the candy makers, and so forth—all of those costs which are exactly 100 percent more than the farmer gets, is the cost that the consumer must pay. Certainly the same thing applies to bread and wheat. So the same amendment might be offered to strike wheat from this program as a basic commodity.

I hope the House will seriously consider this and strike down the amendment.

Mr. FOUNTAIN. Mr. Chairman, I think many of the significant arguments against this amendment have been made but there has been little time for elaboration upon any of them.

There are a few observations and comments which I want to make within the short time allotted to me. I was not here when peanuts were inserted into the Agriculture Adjustment Act and made a basic agricultural commodity. Consequently, I do not know what the arguments were pro and con. However, based upon my knowledge of the importance of peanuts to the peanut farmers, particularly those who produce no other major crop, I am convinced of the justification for having made them a basic commodity. Today peanuts are a basic agricultural commodity to thousands upon thousands of farmers living and producing peanuts in the peanut growing areas of this country.

This amendment is a dagger pointed at the very heart of thousands of these people and to the peanut farmers of my congressional district in particular. Of the 163,813 acres of peanuts allotted to and grown in North Carolina during the current year, 95,924 acres are grown in my congressional district and approximately 95,000 acres of the acreage grown in my congressional district is grown in four of its counties. It is, therefore, easy to see how basic peanuts are to my people. For many of these farmers, peanuts are the only source of income and for many others it is their primary source of income.

The peanut producers of my district accepted this program originally reluctantly because they too wanted to produce an abundance of peanuts, thinking that they would get more in return. But they were finally convinced of the im-



portance of our farm program to their livelihoods, and the peanut producers, like the producers of other basic agricultural commodities, soon appreciated the fact that they too much cooperate in an effort to balance supply with demand and thereby enable them to get as nearly as possible a fair return upon their labors and upon their investment. Somehow I have doubts that the importance of this farm program to their livelihood is truly understood and appreciated in this House.

This amendment is a dagger pointed also at our entire farm program. It is, as the gentleman from Alabama [Mr. ANDREWS], and others, have so well said, the opening wedge; it is the first step in an effort to destroy a farm program which has provided for the farm families of America not a fair price but 90 percent of a fair price. This program has helped to bring prosperity to every other segment of our economy while the producers under the program are still among the lowest income people of America.

Comment has been made about the importance of satisfying the appetites of children for peanuts and the necessity of making an abundance of peanuts—and oversupply if necessary—available for their consumption in support of this “dagger” amendment. I must say in answer to those comments that there are thousands of children, mothers, and fathers and other loved ones living on this good earth of ours in the peanut growing areas of this country who are absolutely dependent upon the income they receive from this basic agricultural commodity, peanuts, for their very livelihood—their food, their clothing, and their shelter. It is basic to their way of life and to their future security as they till the soil which Almighty God has so graciously provided for them.

As I said last year when the same group pointed this same dagger at the heart of my people, the struggle of the peanut farmers for a place in the sun with other basic commodities has been a long and hard one. Most of us here recall 2 cents per pound peanuts in 1931 and 1½ cents per pound peanuts in 1932. Most assuredly no one here is interested in going back to those times and yet I sometimes wonder if there are not many who do not care. During my first session of Congress and during this, the first year of my second session, I have heard expressions of deep concern for the little men of America and especially the small farmers. Particularly have I heard this from many representatives of the administration which presently controls the executive branch of the Government and many of those Representatives are in the Congress of the United States.

I will not say that their actions have not in some instances been helpful to the masses of our people, but I must frankly say I have not seen what I would call a sincere demonstration and practice by them of the sermons they preached to the American people before the 1952 elections.

I am amazed that the minority leadership of this House has silently given its

support to the use of this dagger amendment which could destroy the very lifeblood of thousands upon thousands of the lowest-income people in America. I say this because all of us recall very vividly the campaign oratory and commitments which preceded the election of a Republican President and a Republican Congress in 1952.

Without entering into an argument as to whether or not the Chief Executive committed himself to 90 percent of parity for basic agricultural commodities or 100 percent of parity, is there any denial of the fact that in all of his utterances concerning a farm program, he committed himself to support as basic the commodities, including peanuts, which are now set forth in the Agricultural Adjustment Act as basic, and therefore entitled to parity price supports provided in the act. Never in all of my experience have I observed, and seen with my own eyes so many broken promises and commitments. Those to my left in particular who are supporting this amendment to strike peanuts from the law as a basic commodity are breaking faith not only with the peanut growers of America, but with the Chief Executive in the White House and his Secretary of Agriculture, who have always, as I understand it, approved the continuation of peanuts as a basic commodity.

I wish I had time to tell you of the 100 and more ways in which peanuts are basic not only to producers, but to the general health and welfare of the people of America.

An outstanding American scientist by the name of George Washington Carver, demonstrated the truth of this assertion during the course of his great life.

Apparently, those of this administration who are going along with this amendment are not very much concerned about the commitments of the present Republican administration. Unfortunately, many have permitted themselves to be trapped by those who have endeavored to align the consumer against the producer, the city family against the farm family, and vice versa. In my opinion, this has been done repeatedly. It is unfortunate that men cannot have deep and abiding convictions and express them without trying to increase the already unnecessarily existing prejudices and jealousies among the various groups in America.

A peanut is a small item when you look at it, but it has within it the ingredients for the good health of its consumers, as well as the livelihood of its producers.

I know of no other group of farmers in America in recent years who have indicated a greater willingness to cooperate with their Government to balance supply with demand than have the peanut growers who have repeatedly overwhelmingly voted for production controls in support of our overall basic farm program.

Last year at a time when they felt that their production had already been cut to the bone, when they were fearful of losing this program, they consented, through their elected representatives—and I must say it was reluctant—to

additional reductions over a period of several years in order to bring the supply more nearly in line with demand. With unfavorable weather conditions, such as the drought, conditions have changed however, and importation of peanuts in larger quantities has been authorized by the President. Just today the Secretary of Agriculture, increased the acreage allotment of all peanut growers by 7.5 percent.

If this amendment carries, and peanuts are stricken from the law as a basic agricultural commodity, we will be breaking faith with the peanut farmers of America who have already planted and are in the process of planting their acreage in keeping with their agreement with our Government. In addition, since we are already bound by that agreement, we will encourage unlimited production of peanuts and thereby fill the storehouses of the Commodity Credit Corporation with guaranteed prices of 90 percent of parity. And yet, much of what I have heard since I have been in Congress has dealt with our surpluses of certain agricultural commodities. Our peanut farmers have become accustomed to the program. They have made, and will continue to make, their plans in keeping with the program. It is an integral part of the entire farm program. When we destroy one part of the program we lay the groundwork for its entire destruction. If we pass this amendment we will destroy the confidence of the American farmers in the entire farm program. Regardless of what commodity he may grow, he can have little hope for help in the future. I urge the Members of this House to withdraw the dagger pointing at the heart of so many little people, by defeating this amendment.

(Mr. THOMPSON of Texas asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. THOMPSON of Texas. Mr. Chairman, the move to cut peanuts out of the list of basic commodities is just repetition of one which we have faced periodically over the last several years. It is a move of one certain element in this body to take away from the poor and give to the rich.

Those who have spoken in favor of the amendment have cried out piteously in behalf of the little children who buy the candy bars. I think that if they looked into their hearts they would admit at least to themselves that they have not heard the plea of one single child, but rather the insistent demands of the candy manufacturers.

If the amendment carries and as a result the price of peanuts is beaten down to half of its present figure or even a fourth of it, the youngster who buys the candy bar will not get that bar for 1 cent less. All he will do is pay the price of sugar, chocolate, and milk for the additional peanuts which the bar will contain.

This move is just as selfish today as it was in the preceding sessions when it was proposed by the same old crowd and for the same old reasons. If you pass this amendment you will put a lot of peanut farmers out of business in my district,



and you will benefit no one but the candy manufacturers.

The CHAIRMAN. The gentleman from Georgia [Mr. FORRESTER] is recognized for 4½ minutes.

Mr. FORRESTER. Mr. Chairman, it is with exceeding regret, so far as I am concerned, that debate on this important matter is limited to any extent whatsoever. I am here before you today and have only 4½ minutes, and would not have had that had it not been for the generosity of the gentleman from Texas who yielded me his time; yet, Mr. Chairman, I am here trying to represent my people and to represent them on the most important matter that could possibly come to them short of war.

If the peanut program in this country is not basic there is not one thing in this country that is basic. I know that there are some Members who do not understand our problem, but I know that human nature is kind if given all the facts. In matters like this, of course, sometimes we become a little irritated and we lose our tempers, but nothing has ever been gained by that. What I want to do is to try to appeal to you from my heart and soul and say to you that I am speaking on behalf of 15 million people who earn their living growing peanuts or doing business with peanut growers.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. BROWN of Georgia. We do not grow any peanuts in my district, but can the gentleman tell me whether or not the peanut growers have already planted their crops?

Mr. FORRESTER. Of course they have and they have made their plans under this program.

Mr. BROWN of Georgia. It seems to me it would be very unwise to take this out as a basic crop this year, the crop having already been planted.

Mr. FORRESTER. It certainly would be. It would be disastrous to them. The crop has already been planted and certainly it would be disastrous to our people. My colleague is absolutely right as usual. The gentleman has always been a true friend of the farmer and particularly the small farmer.

Mr. BROWN of Georgia. It would be unfair to let these peanut growers lose what they have already planted?

Mr. FORRESTER. Yes, of course it would.

Mr. Chairman, they are talking about something basic, then you say that the children up in some sections of this country cannot buy peanut candy or the 5-cent bar. Surely upon reflection, you know that anyone who says that is wrong. The truth of the matter is that the children of the country today are getting more candy and more luxuries than ever before in the history of this country.

I am trying to talk to you about 15 million people whose prosperity and livelihood are hanging in the balance today. There are 3½ million people in the State of Georgia whose economy is heavily dependent upon agriculture, and if you deprive them of this program you are going to reap disaster upon those 3½

million people. That is true of the entire peanut area.

I want to talk to you about our children who need some clothes. Oh, yes, we have prospered some, but we have children in school who need clothes, they need school books, they need cod liver oil, they need the other finer things of life which you people want them to have.

It is true that this program has cost the people \$118 million, but that is just chicken change when you realize you have saved the economy of the peanut belt. I have a little secret I want to tell you. Eastern candy manufacturers who are fighting so hard here today against the peanut program know that we have so adjusted this program that it is never going to cost the Government one cent any more. They realize it is now or never, and they intend to defeat us now. They are not interested in little children. They are interested only in dollars, extra dollars, though wrung from rural children. A sad commentary on private enterprise.

As a matter of fact, down in Georgia in the peanut area we have suffered a terrible drought. Our farmers are broke. Do not kid yourselves about that, they are broke. Then we had a freeze, which is one of the worst things that happened to the people down there in my entire recollection. We are depending on our peanut crop. If we do not get a peanut crop and get fair prices we are ruined.

I know this argument does not appeal to the eastern candy manufacturer who has turned out in droves to lobby us today and is doing everything they can to wax fat at the expense of our people, but I do hope it makes sense to you, and moves you to vote in the interest of 15 million Americans.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

[Mr. WHITTEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. LANE].

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. LANE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania to strike out of this bill now under consideration peanuts as a basic commodity. I am hopeful that if peanuts are removed from the provisions of this bill that relief will enure to the benefit of the candy manufacturing industry and the children of the United States. I am led to believe that one of the reasons that there has been a substantial reduction in the candy-manufacturing business and reduction in the number of employees is due largely to this peanut program with respect to price supports and quotas for peanuts as a basic commodity. Many of us have been assured that with the passage of this amendment that the candy industry will be in a position to purchase at better prices,

and that the selling of the commodity, such as peanut candy bar, will be priced accordingly. Many of us have been advised that at the present time the ordinary peanut bar contains a very small quantity of peanuts due to present legislation and that with the elimination of peanuts as a basic commodity, the manufacturers could produce a much better peanut bar and still sell it at a very reasonable price.

Another reason for my support of the amendment is that the Commodity Credit Corporation has sustained losses of \$118,083,426 in its operation of the peanut price-support program from July 1, 1946, to February 28, 1955, and that on a dollar-for-dollar basis the peanut price-support program has been one of the most costly maintained by the Government.

As you know, Mr. Chairman, the peanut accounts for less than one-half of 1 percent of national farm income and is one of the most extravagant expenditures of our Government. We are reliably informed that this program has placed prices at high levels and has produced surpluses in most years which has made necessary these large purchases and eventually great losses by the Commodity Credit Corporation. We are told that up to last July the Government retained large stocks which were being sold for oil at substantial losses and because of the expense to the Government acreage allotments have been reduced to a minimum. Someone has said that this peanut price-support program on one end either produces surpluses at a gigantic expense or on the other end results in shortages necessitating the importing of peanuts from some of our neighboring countries.

I am hopeful, Mr. Chairman, that peanuts will be eliminated from this bill as a basic commodity and placed in the category of a nonbasic commodity without acreage restrictions so that peanuts could be purchased at lower prices and the end user could give the consumer a better commodity for his money, which no doubt would increase the use of peanuts.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Chairman, I believe most of you will agree, after listening to the debate and the arguments for and against this amendment, that there is no justification whatsoever for continuing peanuts as a basic commodity. I do not think there is any more justification for peanuts being considered a basic commodity than fish, for instance, or soybeans, or fruit. I do not see the people from New England or the coastline of the Gulf of Mexico or the Pacific Coast coming in here and saying, "We want this commodity included," a commodity which probably has a bigger income and probably more labor involved than in the peanut industry. So, I say that the people here who are opposed to this amendment are asking for favoritism; they are asking for special privilege. Here is an industry that has less than one-half of 1 percent of the agricultural income coming



in here and asking for this special privilege when there are many other industries and agricultural products which have larger incomes that are not considered basic commodities.

Now, why should we, through the Commodity Credit Corporation, continue to give away the taxpayers' money? So far we have already given away \$118 million. Now, what is the situation? Someone mentioned the fact that millions and millions of candy bars were coming in from England. They are being sold here cheaper than our American candy people can sell their products for. Why? Because England buys her peanuts from India and Africa, where they have cheap wages, and then manufactures them into candies and sends them over here, while our farmers, through the rigid price-support programs, are not raising enough peanuts so that it becomes necessary to ship in from other countries to the extent of 51 million pounds.

Mr. Chairman, I say in conclusion that I hope the amendment carries.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from North Carolina [Mr. COOLEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, when this matter was debated last year, the gentleman from Kansas [Mr. HOPE], who was at that time chairman of the House Committee on Agriculture, called the attention of the House to a message by President Eisenhower and quoted from that message, and in speaking about the peanut program, the President said "this program, which has experienced some difficulties in adjusting supplies to demand at the supported price can operate successfully with certain changes." Further, he said that the Agricultural Act of 1949 became effective for peanuts on January 1, 1955. Then further the gentleman from Kansas pointed out that the other recommendation that the President made was to shift to modernized parity.

Without burdening the House by going into details with reference to modernized parity, I only call the attention of the Committee to the statement of the gentleman from Kansas, Mr. CLIFFORD HOPE, with reference to modernized parity; and modernized parity will be applicable next year.

Let me say this to all of those who are thinking of voting for this amendment: What they are about to do is to embarrass this administration and to break faith with the farmers. I had a member of our staff communicate with officials of the Department of Agriculture, and it is reported to us that even if this amendment is adopted, and even if we do away with acreage allotments and marketing quotas, the Secretary of Agricul-

ture is legally and morally bound to support the acreage allotments on peanuts during the current year, 1955.

Why do a vain and foolish thing? Why not leave this matter until next year? Why was not this amendment submitted to our committee? Why deprive Mr. Benson and his associates of an opportunity to express their views on the peanut program?

I beg the Committee to defeat this amendment. Let us consider it in committee in the orderly and ordinary way instead of coming in now and striking down a law which the President of the United States says can operate under modernized parity.

I urge the membership of the House to vote down this amendment. By voting for the amendment, they are turning down the leadership of the gentleman from Kansas, Mr. CLIFFORD HOPE, in whom, I am sure, all of us have confidence.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

(Mr. THORNBERRY asked and was given permission to extend his remarks at that point in the RECORD following the remarks made by the gentleman from Texas [Mr. BURLISON].

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PILCHER] for 2 minutes.

Mr. PILCHER. Mr. Chairman, this is my third year, and this is the second time I have been in the well of the House to speak. I think this is a very selfish amendment. I was reared in a rural community. I have farmed for 40 years. I have furnished fertilizer and supplies and seed to these small peanut farmers. I have counties in my district where 86 percent of the entire income comes from peanuts.

They talk about \$118 million that we have lost in this program. I was chairman of the PMA committee during the war years. There was not a week when we did not get a telegram from the Secretary of Agriculture asking us to go out and get the farmers to increase their use of fertilizer and increase their yields in order to produce oils and fats not only for America but for the rest of the free world.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield.

Mr. COOLEY. I wanted to mention this one further fact which is that Secretary Benson advocated and sponsored this program just as it is now being operated. A vote for this amendment is a vote to repudiate his leadership as expressed in our committee room.

Mr. PILCHER. Mr. Chairman, I am for the farmers of America. It does not make any difference to me whether the farmer is a dairy farmer in Minnesota or a wheat farmer in North Dakota. This is all a farm program. As to the price of peanuts, we talk about 11 cents and 12 cents a pound to the farmer. The average yield is about 800 pounds per acre. That is \$88. Those women and children have to take those peanuts, pick them by hand and pile them on a row and then pray that it does not rain before tomor-

row. They pick them up by hand and wrap them around a stick and pray that it will not rain much for 30 days until they have dried out. It costs \$30 per ton to separate the peanut from the vine before he can sell them.

Many times they are damaged and have to be sold for oil stock at half price. I am sorry I do not have but 2 minutes, but I could talk for 1 hour on this subject.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. BROOKS].

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Texas. I yield to the gentleman from Texas.

Mr. POAGE. May I ask the gentleman from Texas if it is not a fact that the reason we call this crop a basic commodity is not because of the volume of peanuts—somebody has made the point that there was a small volume of peanuts—but that to those people who live by the cultivation of peanuts, peanuts are just as basic as wheat, as cotton, as corn, or any other commodity is to the people who depend on these larger crops?

Mr. BROOKS of Texas. That seems to be indicated.

Mr. POAGE. I hope the Members of this House, when they vote on this, will recognize that they are affecting the very livelihood of a great many people, just as truly as if they were voting on the biggest crops in America, because the man who relies on peanuts to feed and clothe his family is just as dependent upon those peanuts as is the man who is growing wheat or cattle or any other commodity. Is it not a fact that there is a vast number of people engaged in growing peanuts, and that every man, woman, and child who is growing peanuts lives on the production of those peanuts?

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Chairman, I have heard a great deal of talk here about the children of America. It is a shame that in order to try to defeat a sound agricultural program that has been working well, one that is not costing the taxpayers of America a single dollar today, they have brought in the candy-eating children of America.

I think it is much more important that the heads of the families are able to buy the very necessities of life from the money they receive from the peanut crop than it is for the children to have a piece of candy, which they will get anyway.

I know we used to eat peanut candy when I was a little boy. We made it out of 'lasses and peanuts. I like peanuts and peanut candy. I think some of the Members of the House have eaten the same kind of candy. I believe the children of America today can continue to get plenty of peanut candy and at the same time retain a very valuable and important part of the overall farm program.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?



Mr. BASS of Tennessee. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I ask the gentleman if it is not a fact that although Mr. Benson came to our committee room with all of his associates, not a single one of them advocated any change in the present peanut program?

Mr. BASS of Tennessee. This program has not been brought up for change by the Secretary of Agriculture or any of his advisers before our committee.

Mr. COOLEY. My recollection is that he was asked the direct question if he had any further recommendation to make with regard to the peanut program and he said "No."

Mr. BASS of Tennessee. That is absolutely correct.

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the amendment of the gentleman from Pennsylvania to remove peanuts as a basic commodity from the agricultural-support program.

Americans do not like controls except in the face of overwhelming necessity. Americans do not like overregulation and governmental straitjackets. They remember the wise advice of the great President Jefferson, that if the Government must say when to sow and when to reap, the people will go hungry.

Mr. Chairman, there is no surplus of peanuts. On the contrary there is a shortage. Under such conditions it does not make sense to continue peanuts in the support program as a basic commodity. They should never have been put there in the first place. This amendment should at long last be adopted.

The CHAIRMAN. All time on the pending amendment has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GREEN].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ALLEN of Illinois. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POAGE and Mr. GREEN of Pennsylvania.

The Committee divided; and the tellers reported there were—ayes 186, noes 150.

So the amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks immediately following the statement of the gentleman from Indiana [Mr. HALLECK].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Alabama.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to extend my remarks immediately following the remarks of the gentleman from Alabama [Mr. JONES].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HALLECK. Mr. Chairman, some of us have thought for a long time that to bring in this legislation before us at this time, was a mistake. I think the further we go the more apparent that will become.

Generally speaking, we have had in the Congress bipartisan consideration of farm legislation. During the more than 20 years I have served here I have supported most of the agricultural bills that have come along. There was only one that I opposed and that was back in 1938. I supported some when we were in the majority and I have supported many more when we were in the minority. Through all of these years some have raised the question as to why we have any farm program at all. I think we should have before us constantly the idea that we need a farm program that will insure a continuing supply of food and fiber.

We all recognize that if the agricultural economy goes down the whole economy goes down with it, and so we have had these programs from time to time; and I think, generally speaking, the people of the country approve of the program.

However, I think it is also necessary for us to keep in mind that the program we have for agriculture, as for any other segment of the economy, must be reasonable and it must be demonstrated that it is effective.

During the war we adopted the provision for 90 percent of parity. It was a war measure, designed to encourage production for war needs.

I never heard anyone contend when we wrote in the 90-percent high, rigid supports as a wartime operation that we were in any way committed to continue that sort of system in peacetime.

It is some 10 years since World War II ended. Whatever you call the Korean conflict, it is nearly 2 years since that was over; so in contemplation of that the last Congress, following through in the methods that have heretofore been used in the Congress, wrote a new farm program. This program was not materially new in many respects, but it did make one change, providing for a gradual departure from the rigid 90 percent. As one who had something to do with this 82½ percent interim this year I say that we were putting into effect the graduality about which the President wrote in his messages to us.

So the problem now is fundamental, as I understand the controversy in this bill: Shall we see what happens under the 82½-percent formula or shall we go back to the rigid system that I say beyond any question has begun to develop all manner of difficulties and troubles that should be apparent to all of us.

What are some of those troubles? First, let me call attention to a Senate report recently released by a subcom-

mittee headed by the Senator from Mississippi, Senator EASTLAND. The report said this:

The primary cause of the present deplorable condition in which the American cotton farmer finds himself is the present farm program of the United States. Support prices for cotton were set at an arbitrary figure of 90 percent of parity by law without regard to market conditions or world price. This has caused the accumulation of large stocks of American cotton in the hands of and under the support program of the Commodity Credit Corporation.

What are the other difficulties, difficulties that we must face? Not the least is the fact that the Commodity Credit Corporation owns \$7,500 million of surplus commodities. It will cost us this year \$1 million a day to store those commodities.

We developed a good disposal program; it is operating fairly effectively—some complain about it, but we are doing our best to get rid of the surplus. Meanwhile, everyone knows that as long as there are excessive surpluses, without regard to any action we may take, they are a constant depressant on the market price for the farmer.

Secondly, we have had price declines in agriculture. But let us bear this in mind: In February 1951 prices were at 115 percent of the parity index; in January 1953 they were at 94 percent, and now they are at 97 percent. All of that decline has come about under the present law which provides the rigid 90-percent support price.

Where else are we in trouble? We have in recent years lost a tremendous amount of the foreign market for agricultural products. I say that has depressed the price in the market place at home more than any other factor. We must do something to regain those markets. This program which we presently support is designed to do just that thing. The farmers of this country know that the loss of their foreign markets is hurting them tremendously. They are interested through their organizations in doing something to recapture those foreign markets and that, again, is what our program seeks to do.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Does the program interfere with the disposal program the gentleman is talking about? By limiting production does that interfere with the disposal program?

Mr. HALLECK. No; I do not think so.

Mr. JONES of Missouri. Let us go out and dispose of it then.

Mr. HALLECK. It should be disposed of. But if you have 82½ percent instead of 90 percent, many more of these commodities will move in the foreign markets. That is what the Senate committee report indicates and I think it is right.

Mr. JONES of Missouri. I do not agree with the gentleman's logic.

Mr. HALLECK. Mr. Chairman, in recent years we have been increasing the acreage allotments under the program. Why have we done that? Because, as has been properly pointed out, if you



decrease the acreages too far the small farmer cannot make a living with the amount he is able to produce. Does that not indicate something needs to be done?

What else? The flexible principle has been endorsed by both political parties. The principle was supported in the Democratic platform in 1948, and in the Republican platform of that same year. Furthermore, the President we had before the one now in office in a message to Congress in 1948, and I refer to President Truman, said:

Now we must look ahead to a farm price-support policy geared to our improved farm economy. Many shifts in production will have to be made, and flexible price supports will help us make them in an orderly manner. This will require authority to make prompt adjustments in support levels in line with current and prospective supply-and-demand conditions. It will also require flexibility in the choice of methods or programs that are designed to be most effective for individual commodities, that avoid waste, and that help bring about needed adjustments in production, distribution, and consumption.

That was President Truman's comment in 1948.

Today at his press conference President Eisenhower was asked about the farm legislation now before the Congress and he had this to say:

Last year we finally had passed a farm bill. It is good legislation. But it has not yet had an opportunity to be in effect. It will not go into effect until the crops of the 1955 year begin to come to market. So all of the farm squeeze which has taken place, and it has taken place, has been under the old law, the 90 percent rigid parity price supports.

Mr. Chairman, every Secretary of Agriculture in the last 20 years has supported the principle of flexible supports. The Congress adopted it last year. Why all this turnabout?

There is undoubtedly a little politics around the edges, but as I have said many times, coming from Indiana, I do not have an allergy for politics. But we have seen a little politics around here. This is too important a matter for that. We ought to do the right thing. I have heard it kicked around some days ago that there was to be a big trade, it was referred to as a deal, between some of my city friends on my right and some of my good southern friends and other friends also on my right. They were going to trade 90 percent parity for the \$1.25 minimum-wage law. We will have to meet the minimum-wage proposition when it gets here.

Maybe we should pay a little more attention to the Farm Bureau, to those people who are leaders in the farm organizations of our country.

Finally, may I say this, that we are in trouble under this present farm program. I do not see how anyone can deny it. We have come up with this new arrangement that, I will say, perhaps not the best brains in the country, but certainly a considerable number of the best brains in the country, believe is a fair answer. I join with the President in pleading with you to give this 82.5 percent a chance to work this year. If by the end of this year or in January next year you do not like it, if it has not worked, you

think something else ought to be done, then let us do it. There will be plenty of time. Even as here today in May you are now talking about reimposing the 90-percent rigid-support price, you will have plenty of time to look at it. All I ask you to do is to support and stand by the program that was written last year, a gradual program designed to make some beginning in an effort to meet these difficulties that confronted us.

Mr. Chairman, I plead with the membership to support the motion to recommit which will be made against this bill.

Mr. JONES of Alabama. Mr. Chairman, I want first to congratulate the Agriculture Committee on reporting this bill providing for a return to 90 percent of parity for basic commodities. Particularly do I congratulate the committee since this action has been taken in the face of tremendous opposition from Secretary Benson, Department of Agriculture, and this administration.

I intend to vote for 90 percent of parity. I prefer to vote for 100 percent, but I will be satisfied with 90 percent if that is the best we can do.

The prosperity and stability of American agriculture is one of the most important domestic problems. What is good for agriculture is good for every segment of our national economy. We all know what happens to industry, to storekeepers, to professional men, to laborers when the bottom drops out of agriculture. It has happened to us before. It could happen again. None of us would want to go back to those days. Just why is it so important to other segments of our economy that we have a prosperous and stable agriculture economy? It is very simple. Our American farmers are great purchasers of the output of American business and industry. They are probably the greatest single market of our manufactured goods. It would startle you to know how many millions of non-farm people live on the purchasing power of farmers. If we are going to keep our factories humming, if we are going to keep our plants busy turning out goods and products for our markets, if we want to keep our stores and merchants and all the other businesses prospering, we are going to have to give some serious thought to trying to bolster up the sagging farm economy. We must do something to protect farm economy. Any farm program which protects purchasing power of farmers is a means of protecting our national purchasing power since there is a direct ratio of national income to farm income.

We need to give some serious thought to farm problems and farm economy for other reasons. Our population is increasing by leaps and bounds. We need our farm workers and farm owners to stay on the farm. But unless the financial rewards are improved, the farm population is going to continue to move to cities and towns in increasing numbers. The American farmer has to make enough to meet his production costs and make a small profit like other businessmen or he will let farm operations go down, deplete the soil fertility and give up like thousands of others have done.

Farmers today are in trouble and their trouble is real. Under the Eisenhower-Benson farm policies, the farmers' share of our national income is at the lowest point in history. The price of farm products continues to decline. Farmers are caught in a terrible financial price squeeze. While new records are being set each day in other segments of our economy, farm income continues to lag and drop. Farmers are receiving less and less for what they sell and are paying more and more for the things they buy. That is the problem facing agriculture today.

In a recent survey of 20 occupations—a survey made by economic experts—the weekly buying power of farmers was at the bottom of the list. For all 20 occupations, income was expected to increase in 1955, with only one exception. And what was that exception? It was the farmer. His income was down.

The farmer's purchasing power is the lowest it has been in 15 years. Farm mortgage debt is increasing. Farm foreclosures and forced sales are up 40 percent. All this is taking place while the stock market is constantly surging upward and while other areas of our economy are experiencing unparalleled prosperity. Farm prices are down an average of 22 percent since 1952; net income for farmers is down 28 percent since 1947; and is down 10 percent below 1953. Further declines are expected for 1955 and 1956.

We hear a lot about the unfairness of price supports for farm products. Farmers have been pictured as one of the largest economic groups in the Nation to benefit from Government subsidies. The truth is that the cost of our farm price support program has been small compared to the cost of subsidies to other groups. During the past 20 years our parity program for the 6 basic crops has amounted to \$130 million. During this same period Government aid to business amounted to \$4½ billion. Do you ever hear anything about that? The cost of consumer subsidies amounted to \$2 billion during the same years. Do you ever hear anything about that? I do not begrudge these expenditures in the interest of business and industry. I mention them only to refute the charges that American farmers are the only recipients of Government aid.

We hear a lot about the surpluses of food and fiber which we have on hand. Let me point out that these surpluses were not created from our past support program or from any fault of the farmer. Instead, they are derived mainly from the vast expansion of our agriculture in response to Government appeals for ever-increasing production during World War II, during the Korean conflict, and to carry out our foreign commitments. Actually, our surpluses have proved to be a great benefit for us. Today hundreds of thousands of families in our Nation—many of them in my own State of Alabama—are drawing upon these surpluses to fill their daily needs of foods. These are the unfortunates who are faced with temporary unemployment and hardship. Our surpluses are being used in other ways to benefit our people.



Children in school receive better balanced diets at a price they can afford because of the surplus foods available to the school-lunch program. The surpluses have become a vital weapon in the cold war. We can send surpluses to those who are starving in nations under the threat of spreading communism. I, for one, am thankful that we have had an abundance on hand. I am thankful that we have been blessed with more than we can use for ourselves.

Mr. Chairman, I would like to remind you that the people of our country were completely misled during the 1952 campaign by statements which Mr. Eisenhower made in a number of speeches regarding his farm policy. Before his election, you will recall Mr. Eisenhower's well-known remarks that agriculture is entitled not merely to 90 percent of parity but full parity. At no time during the presidential campaign did Candidate Eisenhower ever make mention of flexible supports; at no time did he mention sliding scales. The President and his Agriculture Department, under Secretary Benson, have completely ignored their campaign promises to American farmers. They have consistently belittled our past farm program and have circulated false figures, misleading statements, and erroneous information about the 90-percent-support program. Farmers are not getting what was promised to them in 1952. Since Secretary Benson became head of the Agriculture Department, farm conditions have grown steadily worse. Any Secretary with the true interest of agriculture at heart would have taken steps to boost farm income. Instead, Mr. Benson has undertaken a program of reduced farm income.

One of the strong pleas that supporters of the flexible and sliding scale have put forth is that it will mean reduced production. This is not the case at all. As a matter of fact, there is nothing in our history to show that a reduction in supports might lead to less production by farmers. In fact, past experience shows that when farm prices fall farmers tend to overcome loss in income by planting more and more acres. This they do to maintain their income. Sliding supports could, in fact, result in greater production.

Mr. Chairman, we should be considering farm problems today from the standpoint of economic welfare of farmers and the Nation as a whole. We should be seeking means of increasing farm income and abating farm recession.

A return to 90 percent of parity will give some measure of protection and assistance to our farm economy. It will not solve all our problems, but it will certainly give some measure of security to our farm population. In the interest of the farmers of the Nation and of our whole economy, I hope the House will stand firm and support the Agriculture Committee in the 90-percent-of-parity proposal.

Mr. ELLIOTT. Mr. Chairman, I regret very deeply that the House has just adopted the amendment removing peanuts from the list of basic farm commodities for price-support purposes. I

think this action was very unwise. Of course, peanuts are a basic crop. In many areas of Alabama and Georgia peanuts are the principal crop. They are commercially grown in the Seventh Congressional District of Alabama.

Later we shall probably have an opportunity to cast a record vote on whether peanuts shall be stricken from the list of the basic farm commodities as prescribed by law. I hope the House of Representatives will at that time reverse today's decision on peanuts. Now is the time when farm legislation needs to be bolstered and strengthened, not destroyed.

Mr. Chairman, I am not only for restoring peanuts to the basic 6 crops of cotton, corn, wheat, tobacco, and rice, I am for restoring the 90-percent parity price supports for all these crops that were taken away last year by action of the Congress, with the approval and at the urging of Secretary of Agriculture Benson and President Eisenhower.

I want to keep the record clear, so far as I am concerned. Since I have been in Congress I have never voted for less than 90-percent parity support prices for our basic crops. I can foresee no set of circumstances that would cause me to vote for support prices of less than 90-percent. I wish it were possible that the farmer could get 100-percent parity prices. I look forward to that day.

There has been so much said and written about our accumulation of surplus food and fiber under our farm program that I think it is time that the American people were told the truth that for the past 21 years it has cost our Government, acting through the Commodity Credit Corporation, exactly \$21 million to operate this program. In the face of the costs of every other Government service, how on earth can we complain about this program that for the past 21 years has averaged costing the American taxpayer \$1 million a year to support the prices of cotton, corn, wheat, tobacco, rice, and peanuts? In other words, it has cost each citizen about 15 cents, less than 1 cent each year.

Some of those Members of this body who cry loudest for what they call the cause of the consumer are forgetting that the average income of all the persons living on America's farms is \$918, which happens to be exactly one-half the \$1,836 average annual income of persons not living on farms. One hour's wages will today buy more food, and better food, than at any time in the history of this country.

Mr. Chairman, I have never been one of those who sought to set class against class. I do not want to see the farmer set against the consumer. The interests of the two are not in conflict. I regret that there has been those in recent years who have tried to stir up the consumer against the farmer.

Where did we get our surpluses? We got them because during the Korean war we took off acreage controls and quota restrictions on all crops. We appealed to the American farmer to produce food and fiber for ourselves and for the free world. It is to the eternal credit of the farmer that he met every pro-

duction goal which his Government set for him.

When the Korean war was over our backlog of farm crops was more than we needed temporarily. But I call your attention to the fact that the backlog of industrial production in many, many items was likewise more than we needed. What did we do with our oversupply of industrial items? Very simply, we sold them as surplus property for about 10 to 15 percent of what they cost, and little or nothing was ever said about it.

Mr. Chairman, even now, in the face of all the propaganda to the contrary, I am not worried about our surplus farm commodities. Of course, I wish there was some way that we could sell them for such a price that the Government would realize no loss on them. But, in the meantime, I am not worried. These surplus farm commodities will serve us in mighty good stead in the event we are drawn into another war. The old saying that an army moves upon its stomach is just as true today as when first uttered. The newest weapons, whether atomic, hydrogen, or cobalt do not change that fact.

There are parts of this country today that are beset with depression as real as that of the thirties. The coal-mining areas of the United States are almost without exception in the grip of the unemployment and its attendant misery. I have the privilege to represent in this body an area that has large deposits of coal. I have seen the hunger and the despair in the coalfields. Also, Mr. Chairman, I have seen the benefits that our surplus farm commodities have brought to the unemployed people of the coal-producing counties. I wonder what would have happened had we not had these surplus commodities to sustain life.

I have seen the results of 4 years of drought following one upon the heels of the other in the congressional district which I am privileged to represent. I have seen these surplus agricultural commodities distributed to keep alive hope and the will to try again. They have given the farmer strength which stimulated him to again pit his wits, his effort, his will, his strength against all the uncertainties of nature, and continue the age-old occupation of tilling the soil.

In these situations I am glad that our country has had some food to distribute to its people. I hope the day may never come when we do not have the food our country needs. I hope the day may never come when we do not have sufficient surplus foods for any emergency.

We hear a lot of talk these days about the free enterprise system. I am for the free-enterprise system. I want to see it continued. The roots of its strength are in the farms of America. Mr. Chairman there is more free enterprise today on our country's 6 million farms than is to be found in any other segment of our entire economy. If we want to keep the free-enterprise system we must keep a strong and healthy farm economy.

We must not allow the recession that now envelops agricultural America to grow into a depression. The last depression this country saw started on the



farm. Our next depression will start on America's farms. We must keep a strong farm economy.

We should return immediately to 90 percent parity support prices for our basic farm commodities. The new system of sliding scale supports which the Congress voted last year have not yet gone into effect. I hope they never will go into effect. We hold the power to prevent them from going into effect.

If we return to 90 percent parity support prices we will have taken a long step toward the prevention of depression on our farms, toward the prevention of a nationwide depression.

Mr. Chairman, I want to discuss this matter further. There is much yet to be said. Tomorrow I shall attempt to obtain more time in which to go into the entire question further. Those who vote against this bill to reestablish 90 percent parity support prices for America's cotton, corn, wheat, peanuts, rice, and tobacco are taking a gamble with the future farm income that I do not care to take. It is one that I will not take.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ARENDS. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Chairman, on yesterday when I addressed this House I made reference to the fact that in my opinion there was a lot of politics behind this farm proposal. The chairman of the committee, my warm friend [Mr. COOLEY], took me to task about such a statement, leaving the impression that I did not know what I was talking about.

A little investigation on my part brought out a very revealing thing which I think the House should know as proof of the politics behind this bill. I refer particularly to the testimony before the House Committee on Agriculture by one Mr. Walter Reuther.

I think the Members of the House should know about the extraordinary action of the Committee on Agriculture of the House of Representatives in order to get before the country the views of Mr. Reuther and his organization on this bill.

I hold in my hand a Government document officially labeled a "committee print," entitled "Price Support Program, Basic Commodities," dated March 15, 1955. This, of course, was sent all over the country. I have here two letters from people who have violently objected

to the fact that this has been sent to them under a frank as a committee document.

Under the usual procedure of this House a committee report accompanying a bill that is printed amounts to 2,300 and the committee hearings printed number 1,000. If there is a demand for more hearings and more reports, we authorize an additional 1,000 or 2,000. Congress oftentimes takes action on an exceedingly meritorious case where there is public demand to have 5,000 more of a report or hearings printed.

But here we have something unusual. I hold in my hand this committee print on the price-support program on basic commodities, embodying solely the testimony of the CIO and A. F. of L. How many of them do you think were printed? 57,000. It was done at the action of some member of the committee or of the staff of the House Committee on Agriculture, in either case by the authority of the committee as a committee print for use of the committee.

I made it my business to check with the Republican members of the House Committee on Agriculture—six members, in fact, and not a single one of them knew any committee action had been taken, and this is required by committee rules or at least comity in a matter of this character. Not a Republican member was consulted about it. Yet someone from the Committee on Agriculture took the time and got the money from somebody else and paid in cash, \$571-something, for these unusual prints of CIO and A. F. of L. testimony, without the action or agreement of the Republican members of the committee.

On top of that, to the best of my information—and I have tried hard to get accurate information—I learned that something like 20,000 or more of these were sent downtown and addressed by one of the great labor organizations of this country, and then returned and franked out to people all over this country.

This is a farm bill. This legislation directly affects the farmers. The committee heard many representatives of farm organizations as spokesmen for the people directly affected. If I recall correctly, the hearings amount to something like 400 pages of testimony.

Now mind you, of all this testimony, including that from representatives of farmers themselves on a farm bill, the only part reprinted is that of Walter Reuther, president of the CIO and the comments of George Meany, president of the A. F. of L. However much these two distinguished gentlemen may know about the farm problem, are we to believe that they know much more than the farmers themselves and their representatives? Is that the reason why their testimony, and only their testimony, was printed as a committee document for distribution? Or is it, as I said yesterday, that this bill is nothing more than despicable politics?

I suspect, Mr. Chairman, that we have here in this proposal what may be called a political conspiracy simply for politi-

cal power. And in this conspiracy the farmer is the victim. The sole objective of this bill is to try to gain political power, to try to embarrass the Eisenhower administration, if possible. I resent it, not so much for those reasons, as the fact that it is being done at the expense of the farmers I represent, and many of us represent, who are faced with the problem of surpluses and depressed prices because of these surpluses.

So I call this to your attention only to try to indicate to you that I knew what I was talking about yesterday when I made the statement that politics was involved in bringing up this bill at this particular time. That is not what I would call the proper procedure of a committee of the House of Representatives, and particularly on the part of a committee which is supposed to look after the welfare of agriculture.

I suppose, if I judge the committee action properly, there is nothing more unusual about this than if the Committee on Education and Labor were to authorize the reprint of thousands of copies of testimony of some member of a farm organization on the question of factory wages or fair labor practices, and at the same time the testimony of those factory workers or their leaders completely ignored. It doesn't make sense. It is obvious on its face that this is pure politics, and, as I said yesterday, not just bold politics but despicable politics.

I still stand on the statement I made yesterday that political considerations, not economic, bring this bill before us. It is borne out by the extraordinary acts of procedure of some members of the Committee on Agriculture by its direction or authority in ignoring what the farm representatives said and giving special attention to what labor leaders said.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I gladly yield to the gentleman.

Mr. COOLEY. How do you regard that as partisan politics when this report came out of our committee by a vote of more than 2 to 1? I can say to this House that the older Members on the minority side supported the majority views and supported this report. Now what you are complaining about is that Mr. Walter Reuther came into the committee room and was audacious enough and bold enough to freely and frankly express his views which are not in accord with the gentleman's views.

Mr. ARENDS. I am not complaining about that.

Mr. COOLEY. What are you complaining about?

Mr. ARENDS. I am not complaining about that. Walter Reuther has the right to come in there and be a witness as well as anybody else.

Mr. COOLEY. Why did you not come before the committee? You have never been there to testify for or against this bill.

Mr. ARENDS. The thing I am trying to say to the gentleman is that by some kind of committee action 57,000 copies of his testimony, and only his, have been reprinted as a committee doc-



ument without the sanction of or even consultation with the Republican members of the committee, so far as I can ascertain. And they were franked out at taxpayers' expense throughout the country. Let me ask my good friend from North Carolina, in all fairness, would it not have been proper, if only as a matter of comity, to ask the Republican members to approve this as a committee decision? That is always done in the Committee on Armed Services, on which I serve.

Mr. COOLEY. The Republicans on that committee could have had reprints made and they could have mailed them out. Mr. Reuther mailed out this very expensive pamphlet and I guess the gentleman objects to that.

Mr. ARENDS. Let me ask you whether that is proper procedure in the Committee on Agriculture?

Mr. COOLEY. Certainly, to get information out to the people of the country.

Mr. ARENDS. Any one member of the committee can go over without committee action and order 57,000 reprints?

Mr. COOLEY. Or 157,000—there is no limit to what you can get. The gentleman knows that.

Mr. ARENDS. I think I have proved my point.

Mr. COOLEY. The gentleman is just trying some politics himself. That is what he is trying to do.

Mr. ARENDS. There is nothing personal about this except that I feel I have proved my point that politics became involved in this.

Mr. COOLEY. The gentleman has proven the point that he objects to the people of the country knowing about the views of the labor leaders of the country.

Mr. ARENDS. No; Mr. Reuther could send his testimony out. That is his business if he wants to do that. I am talking about 57,000 copies being sent out of the Committee on Agriculture by one man on the committee without the sanction of the full committee and the fact that what the committee reprinted was only the views of one particular group—the labor leaders—and no effort was made, certainly not this extraordinary effort—to get to the country the views of the farmers who are the ones most concerned and most directly, and very materially affected—the farmers themselves.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I am going to direct my remarks in the nature of a reply to some of the remarks which were made by my good friend, the gentleman from Indiana [Mr. HALLECK]. To start with, he began his talk on the wrong premise when he kept referring to the high, rigid, support prices. How anyone can say that 90 percent of parity or that 90 percent of a fair price is a high price is beyond me. I maintain that 90 percent of parity is not conducive to overproduction of any agricultural product. I will agree that at times there have been, in my opinion, possibly some errors made in

figuring parity. In the bill that we passed last year, we provided for a new modernized parity and I think that parity is a thing that has to be reappraised from time to time. But I say that the farmers of America who are called upon to produce and who have produced are entitled to at least a part of the same kind of consideration that we have extended to other segments of our society. We speak about the farm price support program being a part of the wartime economy. Yet the same program that is now enjoyed, for instance, in the shipping industry and by the maritime people has been in force ever since this Nation was founded and we are still contributing to them. The airplane industry, we know, still enjoys subsidies despite the fact that apparently they are getting along all right, and yet I noticed in the paper just yesterday that we are subsidizing the airlines to the extent of \$40 million this year.

I do not want to leave the impression that the farmer is entitled to a subsidy just because we subsidize so many of the other segments of our society. However, we should not and cannot overlook the fact that the farmer is not only contributing his tax dollar to this subsidy of other phases of our economy, but his costs are being kept up because of the special treatment which we have accorded to industry, labor, and business in general.

If we were operating in an economy where there was no minimum wage and hour law, in which our transportation industry was not subsidized and protected from competition; in which our large newspapers and magazines were not subsidized by the Post Office Department to the tune of many millions of dollars each year; and where the large radio and television chains are enjoying valuable exclusive franchises in the form of licenses for which they pay not one red dime—not even the cost of maintaining the FCC which regulates this industry—yes, if we were operating in the free economy and under the free-enterprise system of which we hear the opponents of this legislation speak long and loud, the farmer will take his chances and I have no fears about how he would come out in such a system.

I am not asking for special preferred treatment for the farmers of my area. I am only asking that when they have the good fortune to produce in excess of the current demand, that instead of being forced to accept distress prices which result from a surplus supply that the Government hold this surplus of basic storable commodities until such time as the supply can be brought into balance with demand, reducing his acreage and likewise his production in succeeding years. If he is forced to accept less than 90 percent of parity, the farmer is faced with a loss which in many cases may mean ruin or bankruptcy.

We know that the farmer is not interested in getting something that he is not entitled to. I want to ask any one of you on this floor today if you think it is unreasonable to ask that the farmer be supported on his basic commodities to the tune of 90 percent of a fair price,

and in return for that he is willing to adjust his acreage, to adjust his production, to bring it in line with supply and demand.

The gentleman from Indiana [Mr. HALLECK] spoke at great length about this program interfering with the disposal program. I think anyone who gives any thought at all to this question knows that we could continue to dispose of these surpluses, and the support program will not interfere with it one iota.

The gentleman also spoke about letting this bill which was passed last year be given a trial. Actually, if we do, next January 1 we know that 75 percent is going into effect. If we wait for that we will find that many of our farmers will be completely broke and bankrupt, and without any purchasing power, and the whole country will feel that very keenly.

Speaking of politics, if I were interested in this from a political standpoint I would say let it go into effect, and then wait until we have a recession, a depression, or whatever you wish to call it; wait until the farmers are broke, and then see what happens. I think that we who represent agricultural districts are going to be negligent in our duty if we allow this session to expire without trying to correct our mistakes of last year, and restore 90-percent supports on the basic storable commodities.

One other thing which I think should be mentioned. My friend went back to 1948, but I want to ask him and every other person on this floor if during the campaign of 1952, when we were electing a President of the United States, either major political party went to the voters and promised anything less than 90 percent of parity during that campaign? The President was elected on the promise that he was going to have nothing less than 90 percent, and he hoped we would have 100 percent.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to H. R. 12. I represent, as many Members do on this floor, a district which is almost entirely agricultural in its economy. My farmers are willing to look over the edge of the immediate dollar to the economy of agriculture in the long pull and, therefore, to the good of the economy of this country in the long pull.

Mr. Chairman, the Federal Government sits today on top of the greatest hoard of food and fiber in the history of the world. The bins and warehouses of the Commodity Credit Corporation provide a residual but seemingly insatiable market for a wide variety of food and fiber no one else seems to want very badly. The ability of the CCC to buy, and still to keep on buying, is so extensive that it staggers the imagination. When its storage bins become filled, still more space is provided. When it begins to run out of money, either its notes are canceled or its borrowing authority is extended.



The CCC is today America's largest nonfinancial corporation, with over \$7 billion invested in commodities owned or in commodity loans. It is as large as General Motors and Ford combined. It has statutory borrowing authorization up to \$10 billion. Prospects are that before this fiscal year is over total CCC commitments will pass the \$8 billion mark.

Gentlemen, this unbelievable situation has developed under high, rigid price supports. This vast quantity of food and fiber has been channeled into Government ownership under the very system the backers of H. R. 12 would perpetuate for 3 more years.

Government warehouses are becoming so completely filled, and the "public-owned" surplus has become so obvious, that there is increasing danger of political pressure to divert some of that surplus back into distribution channels again. Then the problem of clogged distribution channels would really become acute. The passage of H. R. 12 would clog distribution channels still further.

The problem underlying the general supply situation is essentially one of price, not one of production or one of consumption. This is particularly true in the case of some of our perishable products, like dairy products. A very modest shift in consumption patterns, which could be induced, in part at least, by price stimuli, would go far toward balancing consumption with production. Look what happened to milk consumption on the slight impetus of encouraging everyone to drink at least one glass every day.

As we sit here today the Government either owns or has under loan over 1 billion bushels of wheat, 900 million bushels of corn, 8 million bales of cotton, 260 million pounds of butter, 340 million pounds of cheese, and so on. And yet the United States Government neither eats food nor wears fiber. Government really has little use for the stuff.

The backers of H. R. 12 would add still further to this hoard of food and fiber.

We have gotten ourselves into this incredible mess primarily because many of our people believed, or at least hoped, an act of Congress could brush aside fundamental demand and supply relationships. We set out to legislate price at artificial levels, without effective measures to maintain consumption rates or to curb production increases. We made price an economic throttle, and provided no substitute regulation, other than governmental controls. In most cases these proved to be too late and too lenient.

American agriculture is shackled with some of the most stringent production and marketing controls in its history. The spreading imposition of production and marketing curbs necessitated by the old high rigid price-support legislation, still in effect on 1954 produced crops, has brought many farmers and processors face to face with the hard economic fact that high rigid price supports and rigid controls are the Siamese twins of agricultural policy.

Our wheat, cotton, rice, and tobacco farmers are being cut back until it really

hurts. And the resulting situation is not palatable, to state it mildly. Nor is it any more tasteful to the Department of Agriculture.

I look forward eagerly, as you also do, to the day when production and consumption will be more nearly in adjustment, and when fair prices can once again perform their historic function in a market relatively free from governmental interference. I am convinced the Agricultural Act of 1954 with its provisions for flexible farm price supports on basic commodities, is a substantial step toward attainment of that goal.

We now have before us H. R. 12, which would extend for 3 more years high rigid price supports on our basic commodities, and also raise the level of dairy price supports from 75 percent to 80 percent of parity. This would in effect prolong the system of governmental interference in agricultural pricing and marketing which is bankrupting agriculture itself. The proponents of this legislation would sacrifice agriculture on the altar of political expediency, even before we have an opportunity to give the more sensible economic provisions of the Agricultural Act of 1954 a chance to try themselves.

The object of the sacrifice is not to please the Goddess of the Harvest, but rather to curry favor with the Goddess of Victory in the 1956 elections. Agriculture is becoming a pawn on a chessboard of national politics.

Well-informed farmers will be reluctant to continue sacrificing their freedom to produce and to market what they choose and where they choose, for the illusion of income security wrapped up in current legislation before the Congress. This would only perpetuate for 3 more years the system of strangling controls which have already restricted the operations of many farmers to the point that they find it impossible to make a decent living on their 20 acres of wheat, 2 acres of cotton, or seven-tenths acre of tobacco.

It is likely that a more moderate level of price supports than has prevailed since the war would not have produced so great a Government-owned surplus as we now have. Until early in World War II basic commodities were supported at prices ranging from 52 to 75 percent of parity. And parity was much lower then than now. But having tasted the brew of 90 percent supports during and following the war, some politicians find it difficult to practice temperance now, even though the hangover of price-depressing surpluses is producing a splitting headache.

We need to return more decision making in agriculture to the individual manager on his own farm or to the individual food processor, and to reduce the direct participation of Government in price making and marketing.

One of the overriding factors in the current agricultural situation is the mountain of foodstuffs held by the Commodity Credit Corporation. It is easily within the power of that body to influence farm commodity markets rather violently both in the short run and in the long run. Even so small a thing as an ill-timed remark by one of its officers may send the market up or down several

cents. It is impossible to find in the United States a dozen men with sufficient wisdom to make without error the kind of decisions faced by the Board of Directors of CCC. These are decisions that should be made by millions of Americans, expressing preferences through a competitive price system, regulated by Government but not dominated by Government.

Mr. Chairman, in the interest of preserving a free and prosperous American agriculture, we must defeat H. R. 12.

(Mr. PHILLIPS asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the distinguished gentleman from California [Mr. PHILLIPS] referred to the fact that there were certain farmers in America who were willing to try to get along without the benefits of this kind of legislation. I am sure the gentleman is right. There are farmers in America who have not been dependent upon basic crops, and who have not been dependent upon this kind of price support, but those farmers in California and farmers in other areas who grow these specialty crops and who rely upon marketing agreements whereby they restrict the amount that they sell in the market are just as dependent upon legislation as are the farmers of the Great Plains or the farmers of the Deep South. Those people would be broke today as they were a generation or so ago were it not for the fact that the Federal Government has moved in and given them the advantage of these marketing agreements.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. It is also true, is it not, that 30 percent of the customs receipts which this country gets is now primarily set aside to the folks in the perishable food line and these funds are now being used at a time when the Secretary of Agriculture will not sell basic commodities competitively in the world market, he is using this 30 percent of our customs receipts to pay subsidies to move perishable commodities.

Mr. POAGE. The gentleman from Mississippi is so right. Under what is known as section 32 the Secretary of Agriculture is today subsidizing the very crops, subsidizing the movement into the market of the very crops that are grown in southern California, yet the gentleman piously says: "My farmers do not need any of this thing and we are willing to do without it, so we want nothing to do with a program which will benefit somebody else."

Mr. WHITTEN. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. I yield.

Mr. WHITTEN. I might point out, too, that this 30 percent of the customs receipts comes to the Government from letting foreign commodities in here to compete against the rest of our agriculture.

Mr. POAGE. That is right. The peanuts come in, the grain comes in, the cotton comes in, and enters into compe-



tition with our farmers who are growing basic crops; these products come in and our farmers have to compete with them, and this tariff money is used to take care of these people who say, "Why, we do not want any control, we do not want any support prices; all we want is for the Government to give us a clear legal monopoly by law which we could not have if it were not for the law."

I am not complaining about that; I have supported marketing agreements. I think they have a place in our economy, but I am suggesting that all agriculture is tied in together, and the farmers from California have not become so great that they can overlook the welfare of everybody else.

I would like to suggest to the Members of this House, who a while ago in their solicitude over the candy manufacturers, let themselves be trapped—and there were about 50 or 60 Members of this House who let themselves be trapped—into voting to destroy the peanut growers that the great majority of those who vote for your amendment are already committed to vote against this bill. When they kill this bill where does that leave you and your amendment? Have you not simply played into the enemy's hands? And what of the peanut grower, he is one of the important links; that is what he is. He may be a little link way down in the chain, but break that link and you break the whole chain. You let yourselves be trapped. You have endangered the whole support program. You have not helped your candy manufacturers.

The gentleman from Indiana, able operator that he always is, as he was last year, as he is today, well foresaw that he had better not let this matter of price support on the basic commodities come to a fair, square vote of 90 percent as against 75 percent. He has never let you vote on a straight issue of 90 percent or 75 percent, and he is not going to. I say he is an able operator. He knows, just as you and I know, that this House is not going to get a square, clear vote on the issue. He has seen to that. I do not know of anyone who opposes this bill except 1 or 2, including my colleague from Pennsylvania, who are willing to have a clear, square vote and make an outright determination of whether you want 90 percent or 75 percent; and a great many of you let yourselves right into the trap to enable the opposition to avoid a clearcut vote.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Minnesota is recognized.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

#### TAIL-WAGGING-THE-DOG THEORY

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Chairman, it has been my privilege to serve with that great statesman from Illinois, PAUL H. DOUGLAS, as a member, and vice chairman of

the Joint Committee on the Economic Report.

As I have listened to the debate on H. R. 12, some of the facts considered by this Committee have come to mind. Also, I have been thinking of an exchange with Mr. Benson and Mr. Morse in their appearance before the House Agricultural Appropriations Subcommittee on February 7, 1955.

When Mr. Benson was asked about a speech before editors at St. Petersburg, Fla., concerning this question raised by the editors—Does not the national income depend largely on our farm income?—he replied:

No, that is the tail-wagging-the-dog-theory.

Mr. WHITTEN asked Mr. Morse if he subscribed to this theory. Mr. Morse replied:

I believe it is sound according to the economists and we look to economists for answers to economic questions.

Now, I do not profess to have the answer to what is wrong with the sore spots in the United States economy, but prudence directs that we not look upon agriculture as the tail of the dog as Mr. Benson and Mr. Morse do. Very frankly, I am convinced that agriculture is the main part of the dog.

#### JOINT COMMITTEE ON ECONOMICS REPORTS FACTS

To support this position, I want to cite some of the facts which are stated in the supplemental views of the Joint Committee on the Economic Report.

When the President's economic report was transmitted to the Congress the agricultural parity ratio was at its lowest point since 1941. Along with this adverse effect on farmers, let us look at the unemployment situation. In January 1955, it amounted to 3.3 million, and in February 1955, to 3.4 million. With farmers' purchasing power down—how can that help the unemployment situation?

Can either further drastically cut farm income help reduce the number of unemployed? We know it cannot.

Income of farmers has declined from \$14.2 billion in 1952 to \$12.2 billion in 1953, and to a seasonally adjusted figure of about \$11.1 billion in the fourth quarter of 1954. According to figures adjusted recently by the Department of Agriculture, farmers' income was down to a new low for the year 1954—\$12 billion. Moreover, there has been a continuing decline in the ratio of the per capita income of the farm population from the farm sources to the per capita income of the nonfarm population from nonfarm sources. Wholesale prices of farm products averaged 107.0 in 1952, the average in 1953 was 97.0, the average in February 1955 was 93.1; and April 5, 1955, it was 92.7. All during that time the prices we were compelled to pay were going up.

With 40 major and 100 minor areas with 6 percent or more of the covered workers unemployed, the problem of distress areas weigh heavily on the economy. Coal, textile, and some sections of the durable-goods industries are affected most. Increased farmer income would help all such industries. Farmers

are heavy consumers of agricultural durable goods and textiles. They support the coal industry indirectly through purchases of goods in which coal is involved in the manufacturing process.

I am disturbed, even if Mr. Benson and Mr. Morse are not, by the drag which reduced farm income places on the economy as a whole. In my opinion, the failure of the President's economic report to analyze the implications of continued conditions which result in a failure of a large and important segment of our population to share in the rise in our standards of living is a very serious omission.

#### SMALL BUSINESS ALSO SQUEEZED

The squeeze on agriculture has resulted in a squeeze on small business. That is another of the problems which the President's economic report failed to take account of, or to recommend positive corrective action.

In view of this dark and dismal effect of a depressed United States agriculture on the total United States economy, the Joint Committee on the Economic Report, in supplemental views, made recommendations to appropriate legislative committees. Since these recommendations related to the action of the House Agricultural Committee, I would like to cite a part of the committee recommendations:

The basic purpose of agricultural supports is the protection of farm income. It seems desirable to move in the direction of permitting farm prices to reflect the supply-demand situation in the market while at the same time moving to institute a system of farm-income protection which will protect the family-size farm and the small farms of our country by a system of income payments made whenever declining farm prices threaten an inequitable reduction in the standards of living of these farm families. The large, wealthy farms, or corporate farms do not have the same pressing claim upon the Government's protection. Consideration might be given, therefore, to putting some ceiling on Government benefits per farm. This ceiling should be high enough to protect standards of living earned by farm families by their own efforts but not high enough to guarantee the total incomes of large farms able to stand market fluctuations.

These recommendations were made in recognition of the need for increasing farmers' share of the national income and at the same time protecting our historic family farm pattern of agriculture. H. R. 12 does not solve all the problems concerned in the recommendations. But it does, in my opinion, recognize the squeeze family farmers are in today, and it sets in motion a program, tried, tested, and proven for a long number of years prior to Mr. Benson's sliding scale.

I commend the House Agricultural Committee for the promptness with which they took action to repeal the sliding scale. I urge my colleagues from both sides of the aisle to support H. R. 12.

Mr. DAWSON of Utah. Mr. Chairman, the only major segment of our economy not sharing in the general prosperity of the Nation is our agricultural industry. After 12 years on trial, we find that the 90-percent rigid price-support program is failing—and failing at a staggering cost. Now we are being



asked by proponents of H. R. 12 to extend this program. It just does not make sense.

The present program is unfair. It is expensive. It benefits most those who need it least. It promotes waste. It encourages bad farming practices. It is imposing self-regimentation on our farmers. It threatens to ruin their markets abroad. It works a hardship on all taxpayers.

The unfairness of this program is apparent. Only 22 percent of the farm income comes from the basic crops supported by the Government. Our farmers who represent the remaining 78 percent do not receive this assistance. In fact, to the extent that they must purchase artificially supported crops, they are penalized.

Its expense is staggering. When the bookkeeping is unjuggled, we find that this program has cost the taxpayers more than \$13 billion.

Perhaps the most damaging argument against this rigid price-support program is the waste it promotes. Any program that takes money from the housewife's food budget to purchase commodities at a price she cannot afford to pay and then stores them at her expense until they deteriorate is—to understate the matter—open to serious question.

Our newly emerging dust bowls are ample evidence of the effect of this high-support program on our greatest national resource—our farm soil. Marginal lands have been plowed over and planted in wheat because the planter has been assured—should they produce—that he would have a market for his wheat no matter how substandard it might be. We are now reaping a harvest of dust and dismay.

In face of our mountainous surpluses, the farmer has no choice but to vote to curtail acreage. This penalizes the efficient farmer who must lose acreage because of marginal lands brought into production solely to sell wheat to the Government.

The artificial price structure is ruining our foreign agricultural market. Foreign production and wheat acreage continues to increase while we are forced to cut acreage at home. The loss of these markets may be permanent.

It is not fair to the taxpayer, including the farmer, to continue a program which is costing \$700,000 per day in storage charges alone.

Mr. MCGREGOR. Mr. Chairman, as one who is sincerely endeavoring to seek a solution to some of our farm difficulties, I took a poll of the 17th Ohio District trying to learn just what our farmers and our people are recommending. The following were the questions and the replies received:

Which is your choice on the farm program relative to price support and crop control?

One hundred percent price support and rigid crop control: Yes, 8 percent; no, 92 percent.

Flexible price support and medium crop control: Yes, 64 percent; no, 36 percent.

No price support and no crop control: Yes, 30 percent; no, 70 percent.

This clearly demonstrates to me, Mr. Chairman, that my constituents are thoroughly familiar with the fact that

the 90-percent parity program has been the cause of tremendous farm surpluses which is now costing us approximately \$1 million per day for storage and maintenance services. My farmers are also of the definite opinion they want a minimum of Federal controls and are looking forward to the time when they can live as free citizens without Government interference. I am sure they realize, Mr. Chairman, that the so-called Eisenhower farm program, which was passed in 1954, only begins gradually to take effect with the harvest of 1955. Controls and surpluses to which our people are objecting are not caused by the farm bill of 1954, which was a flexible parity program, but was, and is, the definite result of the previous administration's farm program that called for 90-percent parity.

Mr. Chairman, the following wire which I received this morning from the Farm Bureau Federation—I think covers the subject very thoroughly:

We recommend defeat of H. R. 12. Rigid price supports have contributed to present difficult marketing situation for many farm products by stimulating production in excess of consumer demand, by loss of foreign and domestic markets, and the creation of costly income depressing surpluses. Production controls are reducing farm income. The 1954 law which only begins to gradually take effect with the harvest of 1955 crops should be allowed a chance to help adjust production and increase consumption.

CHARLES B. SHUMAN,  
President, American Farm Bureau Federation.

Mr. Chairman, I am hoping that the RECORD today will show who was responsible for the existing surpluses. If this bill is passed, which cancels the flexible program before it is given an opportunity to be tried, the New Dealers of this Congress must assume the responsibility.

If the New Dealers are going to continue to force rigid controls upon the farmers under the guise that they the farmers desire it, then they should be reasonable and allow all farmers to vote on the referendum. It is unfair that all farmers should be forced to abide by the decision of a referendum vote when all farmers are not given the right and opportunity to voice their views by ballot.

If this legislation is passed, I fear we are headed for another program which was recommended and put into effect by Henry Wallace when we killed the little pigs and plowed under the wheat. Why not establish a program that will ultimately allow us to get rid of controls, Mr. Chairman, so that the farmers of today will be able to make an honest living and not be dictated to by some bureaucrat who in many instances knows nothing about farm problems.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the requisite number of words.

(By unanimous consent (at the request of Mr. PATMAN), Mr. Bass of Tennessee was given permission to proceed for 5 additional minutes.)

Mr. BASS of Tennessee. Mr. Chairman, immediately upon being elected to the Congress, my greatest desire was to become a member of the Committee on Agriculture in the House of Representatives. I achieved that ambition and have been most happy in service

on that committee. The first bill I introduced was identical to H. R. 12, the 90 percent parity bill we are discussing today.

In making a speech before a farm group in eastern Maryland about a month ago, I made this statement, "the great Committee on Agriculture in the House of Representatives was the most nonpartisan body in the House." I told those good people that I felt the agricultural legislation, the farm legislation of America, was handled in the House of Representatives with less partisanship than any other legislation.

On the floor of the House today I must retract that statement I made to those good people. Regarding the proceedings on the floor I find today this piece of legislation, that is so important not only to the agricultural part of the economy but to the entire economy of our Nation, has taken a strict party line. I see the big guns of the Republican Party come down the aisle and speak in an effort to defeat this legislation which will promote the well-being of our great Nation. Yes, I know it is a move on the part of the Republican Party to decrease the farm income of America. The leaders of the Republican Party are doing that, not the good element of that party who are interested in the welfare of the farmer.

I do not know what the vote on this bill will be in the House today. I believe that the great issue concerning the farm people of America is destined to be settled by the people of America, by the electorate in 1956. Yes, the people of America were fooled in 1952 when the leaders of the Republican Party put in their platform that they were for 100 percent of parity for the farmers. Then they were fooled again when the leader of that party went out before the people of America and said "I guarantee you that you will retain your 90 percent of parity."

The farm people are not going to be misled in 1956 when the two great political parties come to battle again over who occupies the White House and who will have the leadership of the legislative branch of this Government. I believe the eyes of America are centered upon this very body today, to see exactly what the two parties of America intend to do for the great farm people.

Yes, I can say to you today, Mr. Chairman, without any fear of contradiction, that the farm people of America are the very group upon whose shoulders rests the main burden of our entire economy. The very minute that we let the farm economy slip, we find that farm income is at the bottom of the list of income in America. We have seen it slip \$1.2 billion in the last year. If this bill fails to pass today, guaranteeing farmers a price support of 90 percent of parity, we shall face a decline in farm income of at least \$5 billion in the next 2 years.

Mr. Chairman, our economy cannot stand that.

I would like to approach you for just a moment on exactly what parity is. Let us ask ourselves this question: What is parity? Parity is simply a fair price, based on cost of production and cost of living.



I apologize to the farm people of America because I do not have the opportunity of standing on this flood today and speaking in behalf of and voting for full parity, for 100 percent of fairness. I apologize to them because I am only going to be given the opportunity of giving them nine-tenths of what is right and what is just and what is fair.

I cannot understand for the life of me how any man can face the electorate in America today and say, "I went in the well of the House of Representatives and recommended that the Secretary of Agriculture not give my people more than three-fourths of what is right." Yes, and thank God that I am going to have the privilege today of casting a vote for giving the people nine-tenths, at least, of what is fair. I only wish to had the privilege of giving them 100 percent of what is fair.

Mr. Chairman, we have heard the cost of this program discussed here today. If we have a sick child in our home we do not call the doctor and say, "Doctor, how much are you going to charge to come and treat my child?" We say, "Doctor, please come, and send your bill later."

Mr. Chairman, when we are faced with a declining income of \$1,200,000,000 in 1 year and a certain decline of \$5 billion in the next 2 years we might well say that our farm economy is ill, and when we call to the "doctor," the price-support program to come and take care of this "illness" of ours, a declining economy to guarantee not only that segment of our economy, the farm people, but also the people in industry throughout America who realize that if the farmer is broke they are also hurting, then, Mr. Chairman, the cost becomes very nominal.

I do not think the cost should enter into any part of it as long as we are maintaining a strong economy for our Nation, because when defense programs come on the floor of the House of Representatives we do not get up here and worry about exactly what the cost of it is. No, because we know that this Nation of ours must be defended, must be protected against any outside or inside attack.

The very breeding ground of communism, the breeding ground of the things that will destroy democracy in America, is poverty. The first element of poverty starts with the farm people of America, as we have seen in cycle after cycle, time after time.

I plead with you, Mr. Chairman, that this bill today be passed, this bill which will give our farmers at least nine-tenths of what is fair and just.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from California.

Mr. SISK. I take this opportunity to commend the gentleman from Tennessee on a very excellent statement. As a representative of the richest agricultural district in the Nation, from the central part of the State of California, I should

like to say that my people are interested in this bill. They are not ready and willing to take the chance of seeing prices slide to the point where they will go bankrupt. They are certainly interested in maintaining 90 percent of parity. As one Californian in this House I am anxious today to see this proposed legislation become law.

Mr. BASS of Tennessee. I thank the gentleman.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I hold in my hand a folder or bulletin or would-be newspaper or whatever you call it from Washington, D. C., by the name of—on the headline anyway, "Wayne Darrow's Washington Farmletter." It comes to my desk and I am sure it has to yours. It is one of the farm letters that comes regularly, and from my conversations with many Members of the House, I have not been able to find out for sure whether it is New Deal or Democratic or Republican. I do not think anyone ever called him a Republican. I would just like to read what he said on April 30. I am afraid some Members missed it. This will answer some of the arguments which have been made better than I can. Here is what he says:

Secretary Benson, like Ike before him, has cracked the solid South.

You heard some of the crackling just a while ago on the Democratic side of the aisle.

He continues:

A southern-dominated Senate Agriculture Subcommittee on cotton surplus disposal recommended Thursday lower cotton price supports, increased acreage, and stepped-up exports—even if subsidized.

It's the first time southern leaders have turned against 90 percent of parity supports in Congress. Only Senator YOUNG, Republican, North Dakota, refused to sign the report. It was approved by Senators EASTLAND, Democrat, Mississippi; HOLLAND, Democrat, Florida; SCOTT, Democrat, North Carolina, and SCHOEPPFEL, Republican, Kansas.

Like Benson, report says we've priced ourselves out of markets. Says United States supports have held a price umbrella over rest of the cotton world, and stimulated synthetic fiber production. Says also that United States technical assistance program has created new competition.

Mr. Chairman, the strongest argument that has been made for the 90 percent rigid parity formula is that it has protected the farmers' income and is necessary to insure that the net income of farm operators will not go any lower. Ninety percent of parity is, according to the supporters of H. R. 12, the one factor that has kept the farm income at high levels.

It is interesting to look at the figures for realized net income of farm operators for the years 1943 through 1954 as presented to our committee on February 23 of this year by Charles B. Shuman, president of the American Farm Bureau Federation:

| Year                   | Realized net income of farm operators | Comment                                               |
|------------------------|---------------------------------------|-------------------------------------------------------|
| <i>Million dollars</i> |                                       |                                                       |
| 1943-----              | 11,540                                | War.                                                  |
| 1944-----              | 11,970                                | Do.                                                   |
| 1945-----              | 12,286                                | Do.                                                   |
| 1946-----              | 14,193                                | End of price controls.                                |
| 1947-----              | 16,774                                | Alltime high.                                         |
| 1948-----              | 15,604                                | Down.                                                 |
| 1949-----              | 13,593                                | Do.                                                   |
| 1950-----              | 12,362                                | Down 26 percent from 1947.                            |
| 1951-----              | 14,540                                | Up 17.6 percent (Korea).                              |
| 1952-----              | 13,626                                | Down.                                                 |
| 1953-----              | 13,275                                | Do.                                                   |
| 1954-----              | 12,500                                | Down 14 percent from 1951; down 25 percent from 1947. |

It can be clearly seen from the figures in the table that the 90 percent of parity program worked only so long as market demand bolstered by war and inflation kept farm prices above the support level. As soon as a period of readjustment occurs the farm income drops precipitously even with the 90-percent formula in effect. It is not the parity that controls the farmers income. In fact, 90 percent of parity in periods when demand drops, instead of helping farmers make needed adjustments, magnifies the problem by encouraging them to pile up surpluses which now hold the price of cotton, corn, and wheat down.

Ninety percent of parity not only will not guarantee the farmer a higher income, but will bring with it rigid acreage controls which are burdensome and unwelcome to most farmers. If the 90-percent formula is rigidly adhered to it will mean that nearly one-third of the acres now in wheat, cotton, corn, and rice will be diverted to other crops because under the law strict acreage controls must be instituted before the 90-percent formula takes effect.

From the information given to the committee by the Farm Bureau, the following table shows the number of acres that would be diverted in these four crops under the provisions of H. R. 12:

| Crop                            | 1953 seeded acres | 1955 allotment | Reduction from 1953 acreage to 1955 allotment (diverted acres) |
|---------------------------------|-------------------|----------------|----------------------------------------------------------------|
| Wheat-----                      | 78,789,000        | 55,000,000     | 23,789,000                                                     |
| Cotton:                         |                   |                |                                                                |
| Upland-----                     | 25,151,400        | 18,113,208     | 7,038,192                                                      |
| American-Egyptian-----          | 92,600            | 46,154         | 46,446                                                         |
| Corn, commercial area only----- | 57,007,000        | 49,842,697     | 7,164,303                                                      |
| Rice-----                       | 2,181,000         | 1,859,099      | 321,901                                                        |
| Total, 4 crops....              | 163,221,000       | 124,861,158    | 38,359,842                                                     |

The acreage allotments and marketing quotas that would be applied to price supported basic crops to curb the growth of price-depressing surpluses will not solve our current problems. To the extent these controls actually reduce production, they will reduce the individual farmers opportunity to get income through volume production.

The policy of allowing producers of controlled crops to use their diverted acres for the production of other com-



modities means that part of our surplus problem is being transferred from one group of commodities to another. It accentuates the problem instead of solving it.

Let me say this. I did not support the peanut amendment. I supported the peanut growers who I know from the hearings before our committee have one heck of a time trying to live. The reason I did not support it is because peanuts are suffering from 90 percent of parity. There is no way for a peanut grower to drop his peanut acreage low enough to comply with law and make a living.

Listen to these figures. Ninety percent of parity will take out of cultivation if followed to its ultimate end 1 out of 4 or 1 out of 5 of every acre of land now under basic crop production in the United States. This cannot be disputed. As I said to you yesterday, when you include 31 percent of farm operators whose principle income is made, not on the farm but at other occupations, you confuse the real facts of per capita farm income.

The inclusion of this group in farm income statistics lowers the average and confuses the uninformed with regard to what our farm problems really are. Many of the remarks you have been listening to today paint a distorted and an unnatural picture of the actual farm income.

(Mr. OSTERTAG asked and was given permission to extend his remarks at this point.)

Mr. OSTERTAG. Mr. Chairman, it is unfortunate that H. R. 12 covers such a multitude of problems. Had it come before us as a straight price-support measure, it could have been debated on its merits.

As it is, it includes numerous provisions, some desirable and some not, but with the claim that it will be virtually all things to all men. According to the committee report, this bill is designed to reverse the present recession in agriculture; prevent a major breakdown of the farm program, whatever that means; protect urban workers against unemployment, assure continued abundance of food and fiber; provide for the national defense; and conserve the soil. That is quite a large order.

In fact, according to its sponsors, the bill will do just about everything but rid the world of communism, and one section of the report suggests it will help us do even that.

I cannot tell you how relieved I was when I came to that section of the report. Virtually everything we do here in this House these days is for the purpose of protecting us against communism. I thought for one wild, carefree moment as I studied the report that the Agriculture Committee was going to ask us to approve this bill simply because it would be good for American agriculture. It was such a refreshing idea that I was almost ready to buy it; and then I came to page 18 of the report, and found that, after all, one reason we are supposed to approve this bill is that if we do not the Communists will get us. We must take care of the disturbing and urgent conditions afflicting American agricul-

ture, because look what is happening to the Russians.

Mr. Chairman, if the bill would achieve the laudable objectives which the committee has outlined, I would be for it. I do not think it will do so. So far from it, I think it will increase our farm problems, rather than solve them. I believe it will lead to greater surpluses, greater foreign competition, greater Government control of agriculture, greater instability of our farm economy, and therefore greater threats to our entire economy. If I may borrow a phrase from our former Speaker, it is predicated on the fallacious theory that if a little aspirin is good, a lot of aspirin will be wonderful.

In my judgment, Mr. Chairman, the evidence is overwhelming that a lot of aspirin in the form of high price supports for our ailing agricultural economy will only delay its recovery and may permanently cripple it.

There is one thing that may be said about our agricultural economy: It is now so complex, so laced with governmental regulations and controls, and so interrelated with other aspects of our economy that it is virtually impossible to say with certainty what is cause and what is effect. This is especially true of the price-supported basic commodities. We do know, however, that during the years when the basics and certain other commodities have been supported at 90 percent of parity we have:

First. Accumulated the greatest surpluses in history.

Second. Priced some commodities out of the market, and thus encouraged substitutes.

Third. Encouraged competitive production of food and fiber abroad, so that we face diminishing export markets.

Fourth. Made necessary the imposition of straitjacket controls on acreage, to the great detriment of the small farmer.

Fifth. Caused the diversion of millions of acres to other crops, and thus depressed their markets.

Sixth. Encouraged, in some instances, the production of commodities of inferior quality, which cannot be sold, at the expense of desirable commodities for which markets exist.

Seventh. Brought in to cultivation marginal land which should never have been put to the plow, except, perhaps, in a national emergency.

If, despite all of these adverse results, high, rigid price supports did, in fact, assure abundance, security, conservation of the soil and all the other things their sponsors claim, they would be worth the price—even though the price is high. But the record bears out no such claim. It shows that in every year except one, since 1940, the average prices received by producers of nonbasic commodities have been higher than the average prices received by producers of basic commodities. In other words, the farmers operating in a relatively free market have done as well or better than those who have leaned on the crutch of price supports.

In the light of this record, Mr. Chairman, prudence and intelligence suggest that high price supports are not the

medicine needed for our ailing agricultural economy. We have tried that medicine. It has only made the patient worse. Last year the Congress prescribed a different treatment—in the form of flexible supports. Mr. Chairman, the new treatment has not even been tried thus far. Flexible supports will not go into effect until this year's crops are harvested. When they do go into effect, it will be months, possibly even several seasons, before we can accurately determine their effect.

We should at least try them out. I am personally convinced that what American agriculture needs is not economic benzedrine, but fresh air, sunshine, and a freer market.

For these reasons, I shall vote against this bill; with the hope, however, that some of its desirable features may come back to us, to be debated and voted upon in their own right and on their own merits, and not as sugar-coating on a very dubious pill.

Mr. HARVEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, I want to speak briefly about a subject that is not directly related to this bill. It is not directly related for the reason that the so-called two-price system for wheat will be withdrawn by the amendment that is recommended by the committee. However, this does not solve the wheat problem. But I want to take a few minutes today to analyze with you, if I may, just exactly what the wheat problem is and what its implication is for the rest of our agricultural economy.

As most of you know, our production during most of those flush years was about 1,100,000,000 bushels. Today the market demand for wheat is about 850 million bushels and the expected production this year is almost in line with the demand, an anticipated 865 million bushels. We have, however, a billion bushels in surplus. Ordinarily, we think that 4 or 5 hundred million bushels is a safe reserve, and that that is in excess of the figure I have quoted as surplus. There is not one wheat-producing section. There are four such sections. They produce different types of wheat for different uses. The most important and the largest segment is that in which we find Kansas, Oklahoma, Texas, and Colorado. They produce hard winter wheat that is used principally for bread. In the area in which I live, Indiana, Ohio, Illinois, and Michigan, we produce a soft red winter wheat that is used almost entirely for pastry purposes. Then along the Canadian border, North Dakota, Montana, and that section, we produce spring wheat. Then in the Pacific Northwest, Oregon, Washington, and Idaho, a soft spring white wheat.

Those are the four different segments in the whole wheat-producing pattern. Today I have information from the Department of Agriculture as to the approximate carryover, the breakdown of this 1 billion bushels, and the type of



wheat that is represented in this 1 billion-bushel carryover.

From the hard winter wheat section, that is, Kansas, Oklahoma, Texas, and Colorado, there are 650 million bushels. From the hard spring wheat area, 180 million bushels. From the Northwest, the soft white spring wheat area, 110 million bushels; and from my area, 60 million bushels, making a grand total of approximately 1 billion bushels.

Obviously, the area that is in difficulty is Kansas, Oklahoma, and Colorado. You might say, "Well, if your wheat is not in difficulty, why are you so concerned about the Kansas area?" I am concerned for two reasons.

First of all, I am very sympathetic with their problem, and I know it is a very complicated problem.

They themselves are trying to work out an equitable solution for it.

I am concerned for another reason, because I am from the corn and hog section; and let me say incidentally, the statement is often made that only 22 percent of farm income is derived from supported commodities, but the fact is overlooked that most of the corn is marketed through livestock. Livestock and livestock products account for over 60 percent of the farm income of the country. Ten of the 12 States in terms of agricultural income in this country are from that area where there is great peril because of surplus wheat.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. HARVEY was allowed to proceed for 2 additional minutes.)

Mr. HARVEY. Mr. Chairman, if we do not all put our shoulder to the wheel and help work out an equitable solution for this particular problem I can say to those of you from the Midwest—and you are intimately and vitally concerned—that is will slop over into our area in the form of feed wheat, and if this surplus is dumped into the feed-grain hopper which up until now has been in virtual balance you will be in great danger of breaking the back of our price-support program for feed grains which have been in pretty good balance. It will have the further effect ultimately of breaking the back of the livestock program because our feed-grain support program has been used as a fill-in program to support the price of livestock.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the speech of the gentleman from Illinois [Mr. ARENDS] prompts me to impose further upon the membership of this House. Mr. ARENDS complained very vociferously because, in a manner which was very appropriate, I authorized the printing of the testimony of some of the witnesses who appeared before the House Committee on Agriculture and statements of other important persons who made their views known to the members of our committee concerning the very important matter now under consideration. I am perfectly willing and I am prepared to accept my share of the responsibility. I do not know how many copies of the pamphlet

were printed. Neither do I know exactly how many Members mailed the pamphlets and used their congressional franks in doing so, but I am positive that no one member of our committee has been guilty of any impropriety in the distribution of these pamphlets. I am quite certain that many of the pamphlets went out under my frank. I am advised that many members of the committee mailed this pamphlet under their own franks and that both Democrats and Republicans mailed out hundreds and perhaps thousands of the pamphlets. I am certain that one Republican member of the committee who has spoken in opposition to this bill acquired and paid for and mailed out the little pamphlet which seems to have caused so much trouble.

The pamphlet has caused trouble in the minds of some of the politicians who seem to abhor the thought that our committee could report legislation which might meet with the approbation and approval of the leaders of organized labor.

I take full responsibility for having invited Mr. Walter Reuther and Mr. George Meany and other representatives of organized labor to appear in our committee room and to express their views freely and frankly concerning this program which now seems to be so controversial. Frankly, Mr. Chairman, although I am perhaps the first chairman of the House Committee on Agriculture who has been bold enough or audacious enough to try to ascertain the views of the consumers of America, the industrial workers of our great country, and the labor leaders of America, I still do not think that there is anything strange about what I have done. Is there anything evil, unholy, vicious, sinister or un-American about having the leaders of organized labor to express their views concerning farm legislation?

I realize that we have just heard an expression by a Member of Congress from Indiana. I am aware of the fact that I have been accused of spearheading an unholy alliance between the farmers and the industrial workers of America, not by the gentleman from Indiana, but by those who feel perfectly free to criticize the honest efforts of honest men. Out in Indiana even the members of the Farm Bureau proved themselves to be just as bold and just as audacious as I was. Here in the great publication *Successful Farming* is an article which has been called to my attention. The caption is "What We're Doing to Make Friends for Farmers." I shall not bore you by attempting to read the entire article, but I want to call your attention to this one statement: "an important area of the public relations responsibility that many people forget. They invited labor representatives to a township Farm Bureau dinner and meeting. Officials from eight labor unions attended."

It has been, in a rather subtle and sinister fashion, suggested that I have been guilty of a great wrong. Something evil, vile, and vicious because I wanted to know the views of the labor leaders of America concerning this very important

problem which we now have under consideration. The inference is that Walter Reuther, president of the CIO, and George Meany, president of AFL, are suffering from some sort of leprosy and are so unclean and so vile and so un-American that honest Members of Congress dare not even touch their hands when greeting them into a committee room where they have been invited. Is Walter Reuther so unclean that I should dare not touch his hand in friendship? Should he be despised and shunned because he has been brave and courageous enough and honest enough to express with sincerity his views concerning this problem which affects the welfare and happiness of all the people of our country? Those who make such suggestions should be ashamed of themselves. These labor leaders who came to speak their minds about this legislation represent those who toil in the mines and factories and workshops of America. Yes, they represent the consuming public in a very large way and they know that if agriculture is prostrate, industry cannot prosper.

Some people are so proud and some are so arrogant and some are so blind that they do not seem to understand that the working men and women of America are making a contribution to the welfare and prosperity of our Nation. There are those who look upon labor leaders as some sort of an evil influence. Why should we invite labor leaders to come to our committee room? Just for one purpose, and that was to ascertain their views and the views of consumers to the end that we could stand here and appeal to those of you who represent great metropolitan areas, those of you who live in industrial centers to vote in favor of the bill our committee has presented. You can make fun of Mr. Reuther and Mr. Meany, but you cannot minimize their importance. I challenge any of you to come into our committee room and to do a better job in behalf of the farmers of America than they did when they gave us the benefit of their views. Mr. Reuther spoke with great sincerity and in clear, cogent, and sincere fashion, and I am delighted to be able to report to you that now this program we are presenting has the support of these men—these leaders—who represent the consumers in the industrial areas of our great country. These labor leaders have "nailed to the cross" these wild and woolly arguments to the effect that city consumers are revolting against the farmers of America. Again, I commend their statements to your careful consideration.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent, Mr. COOLEY was allowed to proceed for 2 additional minutes.)

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I agree with the gentleman it was a proper thing to hear these representatives of labor.



I would go one step further. I would have suggested to Mr. Reuther that he let some of the farmers come to his organization. In my district, the rank and file will let me in their meetings, but the international representatives of the AFL and CIO will not.

Mr. COOLEY. We asked Mr. Reuther, "What have you done to bring the farm story to the industrial workers of America?" and he brought out expensive pamphlets that were circulated around the country telling the story.

Mr. HOFFMAN of Michigan. I have been waiting since 11 o'clock, and I intend to wait until the end of debate to speak on this pamphlet proposition, and the pictures.

Mr. COOLEY. I am certain the gentleman will have an opportunity to speak.

Mr. HOFFMAN of Michigan. Here is one with the gentleman's picture and his.

Mr. COOLEY. They also had pictures of some of the outstanding and distinguished Republican members of our committee.

Mr. HOFFMAN of Michigan. And the chairman of the committee.

Mr. COOLEY. You cannot make fun of me for shaking hands with Mr. Reuther.

Mr. HOFFMAN of Michigan. I am not making any fun at all.

Mr. COOLEY. I am not ashamed of that. Maybe you look upon him as something to be despised but I do not. I did not know the man, I had never met him before he came to the committee room and I extended him every courtesy and am glad he came and spoke to us.

Mr. HOFFMAN of Michigan. You cannot charge me with despising him. I will comment on his testimony and his teachings though before the day is over.

Mr. COOLEY. I am not ashamed of the fact that I invited him.

Mr. HOFFMAN of Michigan. You do not have to.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman did not misunderstand my remarks, I am sure, when I said there is nothing personal, nothing vicious, or anything wrong or unethical was done except, I said, an extraordinary procedure was being followed. I cannot find any place from my inquiry among Members of Congress, even those who have been here longer than I have, where the text of one individual man's testimony was taken and sent out in a committee print, sent out with the sanction of the full committee.

Mr. COOLEY. It was not one man's testimony.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

(By unanimous consent (at the request of Mr. BASS of Tennessee), Mr. COOLEY was allowed to proceed for 1 additional minute.)

Mr. COOLEY. Mr. Chairman, I think if you will check the record, you will find Mr. George Meany's statement in there, representing himself as president of the AFL, I think you will find something

from the clothing workers. I had no more to do with that than to authorize its being printed and being made available to other members of the committee.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. Is it not a fact that it is the policy of the committees of this Congress to have committee hearings printed and sent out?

Mr. COOLEY. Yes. Mr. Reuther presented positive proof to the committee that he was in good faith and sincerely trying to get across to the consumers of America the agricultural story.

Mr. BASS of Tennessee. I thank the gentleman.

Mr. COOLEY. On many occasions heretofore, Members of the House have complained that our committee has not ascertained the views of the consumers of America concerning the price-support program. This prompted me to try to ascertain the views of the leaders from the industrial workers of America. We now have positive testimony from labor leaders who represent great consumer groups, and yet, many Members seem not to be satisfied with the proof we have offered. But for the support of Members of Congress from city districts, how could we even hope to have a farm program? Many of you seem to be horrified by the very thought that Mr. Reuther and Mr. Meany expressed views favorable to the position which our committee has taken by vote of more than 2 to 1. Perhaps some of you do not even want industrial workers to vote for you in your campaigns for Congress. I am certain some of you do not want Congressmen from industrial districts to vote for this farm bill. You have a perfect right to your own views. I have always been anxious to present to this House farm legislation which I thought would meet with the approval of all segments of our economy. I know that the leadership of the minority is now desperately trying to save face—anything to gain favor. But let me remind you of the fact that in your desperation you are trying to destroy a program which the real leadership of your party has been unwilling to even attack in bold and forthright fashion. I asked your Secretary of Agriculture, when he was before our committee, if he was advocating the repeal of a single law which we had enacted in the last 20 years in the interest of the farmers of America, and his answer to my question was "No." Your Secretary of Agriculture is not willing to advocate the repeal of a single one of the laws which he has tried to lead the country to believe have resulted in regimenting and controlling the activities of American farmers. All he wants to do is to plow under, to starve out, and to bankrupt the little farmers of America, and turn over the agriculture of our country to the farmers who have been able to mechanize their farming operations, and to bring in mass production. It really would be interesting to hear a debate between Mr. Walter Reuther and Mr. Ezra Benson. Yes; it would really be good to hear a debate between Mr. Reuther and the president of the largest

farm organization in the world, but I am certain that neither debate could possibly be arranged. I thank you for permitting me to impose further upon your patience.

Mr. LATHAM. Mr. Chairman, the people in my district want a sensible farm program. The average housewife—whose inventory of food in the refrigerator and on the kitchen shelves probably amounts to a surprisingly large investment—may not realize it, but she also has a sizable investment in the \$7.5 billion worth of farm commodities which Commodity Credit Corporation either owns outright or may reasonably expect to acquire under the loan program.

Today CCC owns nearly \$4.5 billion worth of food and fiber. Loans are outstanding on additional commodities valued at about \$3 billion.

This means that the average family of four has about \$185 invested in farm price support operations today. As taxpayers, Americans are also contributing to the \$1 million a day cost of storing these surplus commodities.

The Government owns outright nearly 900 million bushels of wheat—more than enough to meet our domestic needs, plus foreseeable exports, for an entire year. Wheat holdings are likely to climb to approximately 1 billion bushels as CCC completes its take-over of 1954 crop wheat still under loan. This supply is on hand, it should be noted, at a time when we are moving toward the harvest of a new crop which may also be large enough to meet our full needs for an entire year.

This means that the average American family of four owns, through CCC, 25 bushels of wheat, costing about \$66. The average family also owns, through CCC, some 15 bushels of corn, acquired at a cost of about \$25. Americans own sizeable supplies of a variety of other farm commodities, including cotton, wool, dairy products, feed grains, oilseed, rice, rosin, and turpentine.

The only thing that can be said about these surpluses with any degree of certainty is that they will probably increase in size during the months ahead as CCC takes over sizable quantities of corn and cotton from the 1954 crops.

It should be noted that these vast accumulations have come about largely in connection with the commodities that the Government has been supporting at 90 percent of parity. It must be clear that if this unrealistic program is extended further, we will pile up even greater surpluses of farm crops which we can neither sell, eat, nor wear.

Such a course represents economic nonsense. We have now on the books the Agricultural Act of 1954, which is designed to bring supplies into better balance with current demands. This act has had no trial at all thus far. The flexible price support provisions do not even become effective until the 1955 crops begin moving to market some months hence. Yet we are asked to scrap this law, without any sort of trial, in favor of a discredited program which has brought financial headaches to farmers, consumers, and Government alike.

We have already delayed too long in getting our farm program back on a sen-



sible course. We cannot afford further delay now.

Mr. BOSCH. Mr. Chairman, we cannot help but be impressed by the committee report. It has established beyond doubt that the farmer's plight is a serious one and that steps must be taken to help him at once. It is surprising, therefore, to note that the same committee report which has so ably presented the distress of the farmer recommends that nothing be done to assist him. In fact, the bill before us today, if enacted into law, would destroy the only attempt Congress has made to alleviate the farmer's hardship before it has had an opportunity to go into effect.

There are other Members who are much better qualified to speak for the farmer than I am, and I am sure that they have availed themselves of this opportunity. We must not overlook, however, the fact that less than 14 percent of the population of this country are farmers. The other 86 percent represent the consumers, who also have a real stake in the issue before us today.

It is these consumers who must pay the billions of dollars required for our Government to buy up unwieldy surpluses, to store them and to dispose of them after they have spoiled. It is these consumers who must pay higher prices for inferior food products because of artificially imposed price supports.

Every housewife can remember the fiasco when potato prices went wild because of high supports and housewives were forced to pay exorbitant prices for low-grade potatoes while paying taxes to support the purchase of top-grade potatoes which were fed to cattle or stored until they spoiled.

The consumer want no repetition of this experience. The farmer wants no continuation of a system which has already driven many good farmers off their land. The consumer, the farmer—and, in fact, the very essence of the report given by this committee—demand that the Agriculture Act of 1954 be allowed to go into effect. To pass this measure on the floor today will be but to continue the abuses which have brought about today's crisis. This measure in the best interests of all concerned must be defeated.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, had come to no resolution thereon.

#### DESIGNATION OF ESCORT COMMITTEE

The SPEAKER. The Chair appoints as members of the committee to escort the Prime Minister of Thailand into the Chamber the gentleman from Massachusetts, Mr. McCORMACK; the gentleman from Massachusetts, Mr. MARTIN;

the gentleman from South Carolina, Mr. RICHARDS; and the gentleman from Illinois, Mr. CHIPERFIELD.

The House will stand in recess subject to the call of the Chair.

#### RECESS

Accordingly (at 3 o'clock p. m.) the House stood in recess subject to the call of the Chair.

#### VISIT OF HON. P. PIBULSONGGRAM, PRIME MINISTER OF THAILAND

During the recess the following occurred:

The Doorkeeper announced the Honorable P. Pibulsonggram, the Prime Minister of Thailand.

The Prime Minister of Thailand, escorted by the committee of Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, I deem it a high privilege, and it is a great pleasure, to present to you the representative of a great and a friendly people, the Prime Minister of Thailand. [Applause, the Members rising.]

The PRIME MINISTER. Mr. Speaker and Members of the House of Representatives, I greatly appreciate the kind welcome you have extended to me. This opportunity of meeting the distinguished Members of the House of Representatives is one I shall long remember and cherish, for you are the chosen Representatives of the people of the United States, carrying out important and heavy responsibilities under the Constitution of your country.

In Thailand, we have been a constitutional monarchy with a parliamentary form of government only since 1932. To make this change from the past has not been easy or simple. Nevertheless, we are striving to achieve ultimately a fully representative government directly responsible to the people.

I want to say to you that the spirit of freedom is strong among the Thai people [applause], and we shall steadfastly continue to preserve that spirit, for we believe righteousness and freedom of mankind will ultimately prevail. [Applause.] I think it is our love of liberty that makes the Thai people so greatly admire the United States, who, we feel, is the champion of the weak and small nations seeking national independence and their rightful place in the society of nations.

It was our love of freedom and our friendship for the United States which caused us to send our young soldiers to Korea to fight shoulder to shoulder with the forces of the United States and the United Nations. [Applause.] For these same reasons we stand with your country against any further aggression, but we are a peace-loving nation and, like the United States, have pledged ourselves to work for lasting world peace. [Applause.]

And now, Mr. Speaker and honorable Members, may I convey to you and through you the warm and sincere greetings and good wishes of the Thai people

to the people of the United States, as well as my deep gratitude for the kindness and gracious welcome I have received from the American people.

I wish to conclude by extending to each one of you a cordial invitation to visit Thailand. [Applause, the Members rising.]

The SPEAKER. The Chair desires to announce that the Prime Minister will be glad to stand in the well of the House and greet the Members.

The Prime Minister of Thailand stood in the well of the House and received Members of the House of Representatives.

#### AFTER RECESS

The recess having expired the House was called to order by the Speaker at 3 o'clock and 25 minutes p. m.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### PROGRAM FOR BALANCE OF WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to inquire about the program.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. I would like to inquire of the gentleman from Massachusetts about the program. I understand we meet tomorrow at 10 o'clock and that the bill H. R. 12 will be the first order of business.

Mr. McCORMACK. Exactly, and then we will take up the military manpower bill.

Mr. MARTIN. We should be able to finish this bill in a couple of hours if we give some sort of dispatch to it.

Mr. McCORMACK. I should think we ought to be able to dispose of it.

Mr. MARTIN. And the purpose is to finish the other bill tomorrow and then take a recess until Monday.

Mr. McCORMACK. Adjourn over until Monday.

Mr. MARTIN. I understand the postal pay bill will be called up on Monday.

Mr. McCORMACK. On Monday the conference report on the postal pay bill will be considered. We will also take up the statehood bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.



Mr. HOFFMAN of Michigan. Will debate continue tonight on H. R. 12 until those of us who desire to speak are heard?

The SPEAKER. We are not going back into the Committee of the Whole today.

Mr. HOFFMAN of Michigan. Not today? What about tomorrow?

Mr. McCORMACK. Tomorrow we meet at 10 o'clock.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GAVIN. In the event that the National Reserve bill is not finished tomorrow will its consideration be continued on Friday?

Mr. McCORMACK. The hope is that we can finish it tomorrow.

Mr. GAVIN. But what if we are not able to finish it tomorrow?

Mr. McCORMACK. I do not think we ought to consider that. We expect to finish it tomorrow.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. BAKER. It is only half-past 3. Can we not finish H. R. 12 this afternoon?

Mr. McCORMACK. As I said, we are going to adjourn over until tomorrow and meet tomorrow at 10 o'clock in order to finish it.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. If my time has not expired.

The SPEAKER. The Chair is giving the gentleman a long minute.

Mr. MARTIN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. It might shorten proceedings if a few of us who have waited around here from early morning could be heard. We are willing to wait longer. We have been waiting since 11 o'clock for an opportunity to be heard on the bill in which we are all interested.

Mr. McCORMACK. I am sure the gentleman will have all the time tomorrow.

Mr. HOFFMAN of Michigan. I do not want all the time tomorrow; I only want 10 minutes.

Mr. McCORMACK. The gentleman will have his opportunity tomorrow; I am sure of that.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

#### COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the copper extension bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### THE TAFT-HARTLEY ACT

(Mr. DAVIDSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DAVIDSON. Mr. Speaker, as we all know, the Taft-Hartley Act has been law since 1947. When that legislation was passed, it replaced that great and honest labor law, the Wagner Act.

Ever since its passage, the Taft-Hartley Act has created a storm of debate concerning its so-called merits and its obvious inequities.

Among these inequities, the notorious section 14 (b) stands out as a glaring example of the true nature of the Taft-Hartley Act. That section provides for Federal sanction of the so-called State right-to-work laws. The antiunion, antilabor character of that provision is manifest. The State laws which have resulted from section 14 (b) have been vigorously condemned by civic organizations and eminent churchmen of all faiths. They have rightly been called immoral.

These alleged civil-rights laws have been exposed for what they are and the American Civil Liberties Union has clearly stated that there are no civil liberties grounds upon which these statutes can be supported.

We have heard much talk about repeal and revision of the Taft-Hartley Act. Almost everyone has paid lip service to this cause. The time has long since passed when mere oratory will suffice. Repeal of section 14 (b) and a return to the sound principles of the Wagner Act is past due.

Several Congressmen and Senators have proposed legislation similar to that which I introduced today, to bring about the necessary changes. I am proud to join with men such as the Congressman from California [Mr. ROOSEVELT] in sponsoring this legislation. It is my earnest hope that we will shortly act upon these proposals and correct the vicious, irresponsible, and un-American provisions of the present National Labor Relations Act.

#### SPECIAL ORDERS GRANTED

Mr. BYRNE of Pennsylvania asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

Mr. JOHNSON of Wisconsin asked and was given permission to address the House for 1 hour on May 11, following the legislative program and any special orders heretofore entered.

#### POLISH CONSTITUTION DAY

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. BYRNE] is recognized for 10 minutes.

Mr. BYRNE of Pennsylvania. Mr. Speaker, it is my honor and privilege to speak today in commemoration of the anniversary of the enacting of the Constitution of the State of Poland. This day is celebrated by the Polish people and by all people of Polish extraction in the same manner as we observe our own great Independence Day. It is their national holiday and should be an occasion for rejoicing. However, the sad plight of this brave nation today is more a cause for sorrow than for joy. We join with the Polish people in

recalling to mind the glories of past days and we unite with them in pledging that Poland will once again be a free nation, fulfilling its destiny as a power among its sister European states and the states of the free world.

Today marks the 164th anniversary of the establishment in Poland of individual freedom and equal justice for all. Yet, since that May 3 in 1791 there have not been many years in which Poland has been free. It was shortly thereafter that the second and third partitions of Poland took place. During the century that followed, Polish devotees of the principles of democracy took up arms many times in an effort to reestablish the political system set up in their constitution. They were not successful until after the First World War when the Republic of Poland came into existence. In just 21 short years much progress was made and Poland was a major country of Europe in 1939 when it once again became the battleground of a worldwide conflict. It has known no peace since that day and at the present time suffers the added indignity of being made to carry its brave, honorable name under the banner of its Communist oppressors.

We know, nevertheless, that the Polish people have not forgotten the sweetness of freedom. Despite their continued existence under a totalitarian and atheistic system of government completely alien to their traditions, we may be sure that hope still burns in their hearts. Uprisings and revolts, organized and unorganized, have been reported to us through intelligence sources as well as by escapees from behind the Iron Curtain. The Soviet terrorists have even had to curb their insidious attempts to substitute a worship of the state for a worship of God. The historically Christian traditions of Poland, dating from the 10th century cannot be wiped out in just a few short years of enslavement.

We who are blessed with life in a free, democratic nation have a duty in justice and in charity to our friends who are not so fortunate. We must keep alive the spark of liberty. We must assure our Polish compatriots by deeds, not words, that the greatest bulwark of freedom in the world today, the United States, will stop at nothing to assist them in regaining this freedom for themselves.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. ROGERS of Texas, to include remarks in the Dallas Morning News concerning the Honorable "TIGER" TEAGUE.

Mr. FLOOD in two instances.

Mr. ADDONIZIO and include a telegram.

Mr. DORN of New York in two instances and include extraneous matter.

Mr. SMITH of Wisconsin in four instances and include extraneous matter.

Mr. HENDERSON in three instances and include extraneous matter.

Mr. BOW in three instances and include extraneous matter.

Mr. LIPSCOMB in three instances and include extraneous matter.



from each appropriation. And beyond this it provides that in determining the expenditure limitations all proper consideration should be given the anticipated revenue, the cash position of the Treasury and the level of our Federal debt.

By this process, the Congress and the public would have the means of knowing our fiscal position and the facilities would be provided for balancing the budget with reduction in taxes and debt.

Along with this, I have introduced legislation giving the President the authority to veto items within appropriation bills, thus according him a double check on log-rolling which most of the governors in this country have used for years without abuse.

In short, I advocate one budget with full disclosure as to our expenditures, which fixes responsibility not only for the expenditures but also the administration of expenditure programs; I advocate a single appropriation bill in which Congress not only authorizes expenditures but controls them in a manner that can be considered in view of revenue. A budget is not a budget unless it has two sides, expenditure and income. And finally, I advocate an item veto for the President, who is elected to his office by all of the people.

With these provisions, I believe the budget can be balanced, the debt can be reduced and taxes can be lowered.

If, by budgetary and legislative procedure, we could recapture control of expenditures from the bureaucratic agencies, there are obvious places where they could be substantially reduced and eliminated without impairment of any essential function.

President Eisenhower has made a good start. The Truman budget for fiscal year 1953 totaled \$74.3 billion. Estimates of the Eisenhower budget currently under consideration total \$62.4 billion—a reduction of nearly \$12 billion. Our tax income is \$60 billion. Our deficits are decreasing, but we are not yet on a pay-as-you-go basis.

Most of the reduction has been in the military, and this is largely incident to the end of the Korean war.

The Secretary of the Treasury, Mr. Humphrey, for whom I have great admiration, and the able Budget Director, Mr. Hughes, are working diligently and making substantial progress toward sounder budgetary procedure and the elimination of waste in expenditures.

We are still practically at the peak of expenditures for domestic-civilian programs and proposals for more are coming forth in a steady stream.

In fact, expenditures for strictly domestic-civilian programs now total \$24 billion, and this is more than 3 times the total cost of these programs in 1940, when we started the World War II buildup.

Even this is not the whole story on domestic-civilian expenditures, because these figures do not reflect the liabilities of the tremendous loan insurance and guarantee programs.

Nonessentials in these programs must be eliminated and this clearly can be done, as Mr. Hoover and his two fine Commissions on Government Organization have demonstrated in nearly 500 recommendations to date—some of which have been adopted, while others still await action.

With the pressure for more and more Government which seems to characterize our times, I am convinced that such constant examination of Government as the Hoover Commission surveys has become a continuing necessity.

With budgetary disclosures and congressional control, under current circumstances and conditions, we should reject all new proposals for Federal spending innovations.

In fact, the budget for fiscal year 1956, beginning next July 1, could be reduced \$5 billion by eliminating expenditures contem-

plated under new legislation and by eliminating increases in items under existing legislation. I would oppose all new proposals to invade the responsibilities of States, localities, and individuals and start immediately to liquidate many of the programs already in existence.

Beyond this, I would eliminate as rapidly as possible all foreign economic aid, and I would get military expenditures quickly in hand through control of unexpended balances.

So far we have spent nearly \$40 billion for foreign economic assistance. And at this late date, after 10 years of post-war foreign aid, the President has proposed to increase foreign-aid expenditures in the coming year by nearly 10 percent, and he has asked Congress for new foreign-aid appropriations in amounts nearly 25 percent higher than were enacted during the past year.

We are still employing 562,158 civilians overseas. These people are employed all over the world, including 64 in Cambodia.

This foreign aid has got to stop sometime, and so far as I am concerned the time to stop so-called economic aid is past due.

No one favors a reduction of our present burdensome taxes more than I do. I sit on both sides of the table. As an individual, I pay substantial taxes on my business operations. As a member of the Senate Finance Committee I have the opportunity to hear testimony of those who protest exorbitant taxation.

But as anxious as I am as an individual for tax reduction, I am opposed patriotically to tax reduction which requires us to borrow and add to the public debt. It seems to me to be a certain road to financial suicide to continue to reduce taxes and then to borrow the money to make good this loss in revenue.

As things are now shaping up, there will be keen competition between the two political parties for tax reduction in the political year of 1956. If we reduce expenditures this is all well and good but, under political pressure, we should not yield to reducing taxes and still further unbalance the budget. Tax reduction should never be made a political football.

As chairman of the Senate Finance Committee, I opposed the \$20-tax reduction to each individual as passed by the House of Representatives this year. This would have occasioned a loss of \$2.3 billion to the Treasury, all of which would be added to the debt. It would have given a tax relief of only about 7 cents a day to each taxpayer and would have removed 5 million taxpayers completely from the tax rolls.

To borrow money to reduce taxes is not, in fact, a tax reduction. It is merely a postponement of the collection of taxes as, sooner or later, the taxes thus reduced will have to be paid with interest. There is only one sound way to reduce taxes and that is to reduce spending first.

At home we can get along without Federal usurpation of individual, local, and State responsibilities, and we can get along without Federal competition in business whether it be hotels, furs, rum, clothing, fertilizer, or other things.

The Bible says if thine eye offend thee pluck it out. I say if the Federal Government should not engage in such activities, we should first stop new invasions and then gradually, if not abruptly, eliminate the old intrusions. When we do these things we shall balance the budget, for lower taxes and reduced debt. There will be no further need for trick budgets and debt-ceiling evasions and hiding taxes. The Government will be honest in itself, and honest with the people.

A balanced budget could be in sight if (a) we do not increase spending, and (b) we do not reduce taxes. Assuming no further cut in taxes, only a 4-percent reduction in spending, in terms of the President's budget, would bring us to that highly desirable goal.

## Is This Age of Fear Our Destiny?

### EXTENSION OF REMARKS

OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1955

Mr. UTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I respectfully submit an editorial by Mr. Fred Speers, editor and publisher of the Daily Times Advocate, Escondido, Calif., which appeared in that paper on April 28, 1955, under the title of "Is This Age of Fear Our Destiny?"

It is most concise and descriptive of the fears that have gripped our Nation for the past 2 decades. In reading the editorial I am sure you will agree that if we would only supplant these fears with more faith and positive thinking, no doubt there would be unharnessed a force that offers unlimited possibilities to improve our world of today.

The editorial follows:

#### IS THIS AGE OF FEAR OUR DESTINY?

One cannot help but wonder if we Americans may not have entered an "age of fear" which is conditioning almost every act of our lives. Maybe it started with the depression of the 1930's and efforts to minimize the haunting fears it touched off. The fear of loss of home, the fear of savings being wiped out, the fear of penniless old age, the fear of losing a job, the fear of crop failures, the ever-present fear of illness—all these and others, too, were played upon with more or less success once currency was given the amazing phrase, "the only thing we have to fear is fear itself." (Think that over sometime; just what does it mean, anyhow?)

Came then the outbreak of the war in Europe in September 1939. Came then a host of new developments, each with its new array of fears: fears that England would go under (and we would be left alone), individuals' fear of being drafted, fear that the United States would be dragged into war, fear of families that their sons would be sent abroad, fear of enemy bombardment and countless, nameless fears that times of great world tensions bring. Came then Pearl Harbor—and the fear on the west coast about being left defenseless. Came then the submarine warfare of 1943 in the Atlantic—and the fear on the east coast that war was coming right to the beaches.

Came then the peace—and are fear of widespread unemployment during the changeover to peacetime activities. Came then the cold war—and the fear of Russian might turning a cold war into a hot war without warning. Came then the Korean war—and fear if we fought it to victory rather than stalemate that we would goad the Russians into a full-fledged world war III. Came then the armistice in the Korean war (that's all it is, you know) and the old fear of widespread unemployment was revived and the same discredited prophets of doom went up and down the land again to play upon fears for political purposes. And in these years, too, there was born the fear that followed the breaking of the United States monopoly in atom weapons—the fear that the Russians might unleash atomic weapons. It gave way to the even greater fear that the Russians might unleash H-bombs.

And now, near Las Vegas, they're testing American-style buildings to see how they stand up under nuclear weapons' effects. The general thought, according to civil defense "releases," is that you're not in any position to feel cocky about an atomic attack



unless you've got at least 3 feet of earth between you and the blue sky.

Is this the measure of our fear? Three feet?

If this, then, be our destiny as Americans, we might just as well make it 6 feet of earth and let it go at that. Have we, the descendants of pioneers who braved Indian arrows, scalping knives, and tomahawks, frightened ourselves into this "age of fear"? Let us pray that this spell will pass.

## High Level Garrison Reservoir Gains Widespread Support

### EXTENSION OF REMARKS OF

### HON. OTTO KRUEGER

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1955

Mr. KRUEGER. Mr. Speaker, under leave to extend my remarks, I would like to call attention to the widespread support for a 1,850-foot operating level for Garrison Dam Reservoir in North Dakota.

The dam is built, the project is more than 80 percent complete. But because of the opposition of a few people in a limited area the final stages are being held up. These people feel that their fears and their personal wishes are superior to the authority that Congress gave the Bureau of Reclamation and Army Engineers when the dam was designed and built.

This objection has not been important until now when the reservoir is filling; when the first power will come off the generators. The upstream land must be acquired; the protective works must be built. Orderly progress calls for this work in fiscal 1956.

Congress has been asked by the majority of the people of the State not to further restrict this construction. The rural electric cooperatives—all of them in the State, have sent resolutions protesting this curtailment of hydropower; the Upper Midwest Power Forum, with 400 co-ops represented are against any curtailment of the reservoir capacity. The president of the Mississippi Valley Association, Wilbur Jones, of Omaha, says:

Congressional approval of this restriction would be a clear-cut example of the welfare of millions being sacrificed to the desires of a few.

The county commissioners of all counties east of the Missouri River by resolution are in favor of the full operating capacity of the dam. Likewise 43 cities in the State; the State legislature; the Farmers Union; 43 civic organizations and groups have publicly declared their support of the high operating level.

Other States along the river have an interest in the increased hydropower, the flood control, and irrigation benefits that a high pool level will mean.

Following are the organizations; counties, and city governmental groups that have sent resolutions to me:

REA CO-OP RESOLUTIONS FAVORING 1,850-FOOT LEVEL ON GARRISON POOL

1. North Dakota Association of Rural Electric Cooperatives, Bismarck, N. Dak.

2. Capital Electric Cooperative, Inc., Bismarck, N. Dak.

3. Central Power Electric Cooperative, Inc., Minot (representing eight co-ops).

4. Kem Electric Cooperative, Inc., Linton.

5. Nodak Rural Electric Cooperative, Grand Forks.

6. Slope Electric Cooperative, Inc., New England.

7. South Dakota Rural Electric Association, Leola, S. Dak.

8. Minnkota Power Cooperative, Grand Forks (representing 10 co-ops).

### LIST OF CIVIC AND OTHER ORGANIZATIONS SUPPORTING 1,850-FOOT LEVEL FOR GARRISON DAM

1. Anamoose Civic Club, Anamoose.

2. Bismarck Chamber of Commerce, Bismarck.

3. Cando Commercial Club, Cando.

4. Carrington Kiwanis Club, Carrington.

5. Cooperstown Commercial Club, Coopers-town.

6. Devils Lake Chamber of Commerce, Devils Lake.

7. Drake Commercial Club, Drake.

8. Drake Volunteer Fire Dept., Drake.

9. Esmond Commercial Club, Esmond.

10. VFW Post, No. 4251—Benson Co., Esmond.

11. Fargo Chamber of Commerce, Fargo.

12. Greater North Dakota Association, Fargo.

13. Fessenden Civic & Commerce Association, Fessenden.

14. South Cottonwood Farmers Union Local No. 48, Fessenden (53 members).

15. Wells County Livestock Association, Fessenden.

16. Grafton Chamber of Commerce, Grafton.

17. Grand Forks Chamber of Commerce, Grand Forks.

18. Minnesota Dairy Company, Grand Forks.

19. Civic & Commerce Association, Harvey.

20. Harvey Co-op Creamery Association, Harvey.

21. Harvey Kiwanis Club, Harvey.

22. Harvey Volunteer Fire Dept., Harvey.

23. Hillsboro Civic & Commerce Association, Hillsboro.

24. Jamestown Chamber of Commerce, Jamestown.

25. Leeds Civic Club, Leeds.

26. McVillie Commercial Club, McVillie.

27. Wells County Farmers Union, Maddock.

28. Mayville Civic Club, Mayville.

29. Minnewaukan Commercial Club, Minnewaukan.

30. Minot Chamber of Commerce, Minot.

31. Central Irrigation Development Committee, New Rockford.

32. New Rockford Civic Association, New Rockford.

33. Northwood Commercial Club, Northwood.

34. Sheyenne Commercial Club, Sheyenne.

35. Turtle Lake Commercial Club, Turtle Lake.

36. Upham Commercial Club, Upham.

37. Valley City Chamber of Commerce, Valley City.

38. Velva Sportsmen's Club, Velva.

39. Sheyenne Valley Rod and Gun Club, Warwick.

40. North Dakota Farm Bureau, Fargo.

41. James River Valley Development Association, Huron, S. Dak.

42. North Dakota State Legislature, Bismarck.

43. North Dakota State Water Conservation Commission, State Capitol Building, Bismarck.

### LIST OF NORTH DAKOTA COUNTIES WHO HAVE SUBMITTED RESOLUTIONS FAVORING 1,850-FOOT POOL LEVEL

1. Adams (population 4,910).

2. Barnes (population 16,884).

3. Benson (population 10,675).

4. Bottineau (population 12,140).

5. Burleigh (population 25,673).

6. Cass (population 58,877).

7. Dickey (population 9,121).

8. Eddy (population 5,372).

9. Emmons (population 9,715).

10. Grand Forks (population 39,443).

11. LaMoure (population 9,498).

12. Mountrail (population 9,418).

13. Nelson.

14. Pierce (population 8,326).

15. Ramsey (population 14,373).

16. Ransom (population 14,373).

17. Renville (population 5,405).

18. Richland (population 19,865).

19. Sargent (population 7,616).

20. Sheridan.

21. Slope (population 2,315).

22. Stutsman.

23. Steele (population 5,145).

24. Traill (population 11,359).

25. Towner (population 6,360).

26. Ward (population 34,782).

27. Wells (population 10,417).

### CITIES SUPPORTING THE 1,850-FOOT LEVEL OF THE GARRISON DAM, N. DAK.

1. Anamoose, N. Dak.

2. Bismarck, N. Dak.

3. Bottineau, N. Dak.

4. Carrington, N. Dak.

5. Casselton, N. Dak.

6. Cavalier, N. Dak.

7. Cooperstown, N. Dak.

8. Devils Lake, N. Dak.

9. Drake, N. Dak.

10. Drayton, N. Dak.

11. Edgeley, N. Dak.

12. Esmond, N. Dak.

13. Fargo, N. Dak.

14. Grand Forks, N. Dak.

15. Harvey, N. Dak.

16. Hazen, N. Dak.

17. Hillsboro, N. Dak.

18. Jamestown, N. Dak.

19. Kramer, N. Dak.

20. Lakota, N. Dak.

21. LaMoure, N. Dak.

22. Larimore, N. Dak.

23. Lidgerwood, N. Dak.

24. Lisbon, N. Dak.

25. McClusky, N. Dak.

26. Maddock, N. Dak.

27. Mandan, N. Dak.

28. Mayville, N. Dak.

29. Minnewaukan, N. Dak.

30. Minot, N. Dak.

31. New Rockford, N. Dak.

32. Northwood, N. Dak.

33. Oakes, N. Dak.

34. Park River, N. Dak.

35. Pembina, N. Dak.

36. Richardson, N. Dak.

37. Rugby, N. Dak.

38. Streeter, N. Dak.

39. Towner, N. Dak.

40. Turtle Lake, N. Dak.

41. Underwood, N. Dak.

42. Valley City, N. Dak.

43. Wahpeton, N. Dak.

## H. R. 12

### EXTENSION OF REMARKS OF

### HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1955

Mr. McDOWELL. Mr. Speaker, in reaching my decision to support H. R. 12, I have given serious consideration to all aspects of the farm problem. I do not claim that the passage of this legislation will result in solving the difficult



problem of overproduction of food, nor that it will result in higher prices for farm products. My criticism of the present policies of Secretary of Agriculture Ezra Taft Benson are based upon information compiled by his own Department of Agriculture as they affect our farm families today in the State of Delaware.

It appears that the Republican administration is leading the Delaware farmer down the road to lower income even faster than the farmers of the country as a whole.

For 20 years we heard from the Republican Party stories of how the Democrats were destroying the economy of the country and how they were particularly bringing "socialistic" ruin to the farmers. Yet under the years of Democratic administration cash income of the American farmer rose to heights that never before had been reached. There was a real increase in the farmer's purchasing power that made him a prosperous consumer for the production of our factories.

I am severely disturbed by the latest figures on the cash income of farmers in the State of Delaware released by Secretary of Agriculture Benson. It seems to me that farm income is dropping in my State and in the Nation as a whole at a rate that gives genuine cause for alarm.

Secretary Benson reports that in the first 2 months of 1955 cash income of Delaware farmers had further declined \$2,226,000—a quarter of a million dollars a week. If this disastrous decline in Delaware farm income is not halted, it will mean a cash loss of a million dollars a month, or \$12 million for the calendar year ending January 1, 1956.

Figures recently released by the Department of Agriculture show that in 1954 Delaware farm income fell from \$103,411,000 in 1953 to \$93,708,000—a loss of \$9,703,000. These figures indicate that a continuation of the present policies of the Republican Administration will cost Delaware farmers \$21 million by January 1, 1956, representing the last two calendar years.

Secretary Benson's farm income report shows that farm income as a whole throughout our Nation was \$4,452,000,000 the first 2 months of this year, a drop of \$251 million from the same 2-month period of last year. That is a quarter of a billion dollars out of the pockets of America's farmers in just 2 months. There has been no corresponding reduction in their costs of operation in this period. The Department itself admits that most of this drop has had to come out of the farmers' earnings.

But in 1953 when the so-called friends of the farmers were in power, the "friends" who had been telling them how bad the alleged policies of the Democratic Party were, the farmers' income immediately began to decline. It dropped to \$31,413,000,000. Last year's farm receipts were down to \$29,954,000,000. This year, according to the early indications, the drop will be even further.

It is interesting to note that the Department of Agriculture this week issued a report called *The Agricultural Outlook Digest*.

I quote from this report:

With prices a little lower, and marketings nearly as large, cash receipts from farm marketings are expected to be lower in 1954. The net income realized by farm operators will be down in 1955, perhaps by as much as 5 percent.

Why should this be if the economy is prosperous, if income in the country as a whole will be about the level of last year? Why should the farmer's income be cut still further than it already has?

Secretary Benson's Department supplies the answer. I quote from the *Outlook Digest*:

Consumer income after taxes so far this year has been running about 3 percent above the same period of 1954. About one-fourth continues to be spent for food. But a little less of the consumer's food dollar is going to the farmer—42 cents in the first quarter compared with 45 cents a year earlier.

And, they might have added, compared with a high of 56 cents that was reached under Democratic administration.

So there is your answer as to why the farmer is going to take another 5 percent cut in his income this year—under the most optimistic circumstances—and as to why the farmers in Delaware may take a cut much deeper than that. The farmer is getting only 42 cents out of the consumer's food dollar. The middleman is getting 58 cents. A year ago it was a 45-55 split. The farmer gets only 42 cents for all the work of planting the crop, raising it, harvesting it, and hauling it to market. The middleman, who takes his crops at that point and puts them on the consumer's table, gets 58 cents out of the dollar.

To make these statistics specific let me cite just one more recent report by Secretary Benson. In his annual report on the production of chickens and eggs, he informs us that Delaware broilermen raised 69,620,000 birds last year, an increase of more than 1 million over the previous year. Weight of these birds was 216 million pounds, a gain of 4 million pounds. But the income received from sale of these birds was \$48,816,000 compared with \$55,803,000 in 1953.

One million more birds, 4 million more pounds of succulent Delaware broiler meat, and \$7 million less income. Most of that drop had to come out of Delaware broilermen's net income. Their costs of production were down a little, but not that much.

So there is the picture in Delaware as in the country as a whole, farm income dropping further every month from an already discouraging level that has been reached under the Republican administration. Farmers will have at least 5 percent less income this year than last. Other people's incomes will be up 3 percent, if we may believe the administration's forecast. The farmer's share is a little less than it was, just 42 cents out of the consumer's food dollar. We see no signs of distress on the part of Secretary Benson or his associates about this situation. They raise no cry of alarm.

A bulletin compiled by the Agriculture Committee of the House of Representatives, dated March 26, 1955, states that—

Farm prices have declined 7 percent from 1949 to 1954, and in this same period retail food prices have increased 13 percent.

This unprecedented change in producer-consumer prices has taken place under what was promised as an administration pledge to 100 percent parity for the farmers and more food at cheaper prices for the housewife. What a farce these promises have turned out to be. An expensive lesson for the farmers and housewives but perhaps it will be one well learned.

The present policies of the Republican administration with respect to farm prices must be changed by act of Congress. I shall vote for a return to the policies which under 20 years of Democratic administration brought the greatest era of prosperity to not only the American farmer, but to all segments of our economy—farmer, industrialist, businessman and laborer—thus resulting in the greatest consumer buying power the world has ever known. Yes, Mr. Speaker, I shall cast my vote for 90 percent of parity and in so doing exercise my responsibility to safeguard the economic well-being of my constituents.

## The Effect of Spiritual Guidance in the World Today

EXTENSION OF REMARKS  
OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1955

Mr. BROWN of Ohio. Mr. Speaker, under unanimous consent to extend my own remarks in the Appendix of the RECORD, I include therein the following essay by Gene Swartz, of Richwood, Ohio, which recently won the American Legion of Ohio statewide essay contest: *THE EFFECT OF SPIRITUAL GUIDANCE IN THE WORLD TODAY*

(By Gene Swartz, Richwood, Ohio)

Church bells ringing, people hurrying, organ music softly playing; this the beginning of a typical Sunday morning in the lives of many Americans. Now, more than ever before, the church is playing a greater part in the lives of more and more people.

What is behind this increasing interest in spiritual activities? Why have so many people in our country become so involved in weekly religious worship?

Perhaps the answer can best be found by looking back into the history of our own country's origin. American was founded and first settled by a group of pilgrims from Europe seeking freedom to worship as they believed. As more and more refugees from the Old World arrived, new churches and religious groups were started along our eastern coast.

When the leaders and officials of our Nation met to construct a Constitution after the Revolutionary War, religious freedom was established as a permanent fact in our Government. Now freedom of religion is found in democracies all over the world.

As our country grew, ministers and missionaries spread rapidly across the face of our land. Now these original churches have grown into what is now one of the greatest systems of organized religious instruction known.

Our Government mirrors the effect of religion in national politics. Each session of the United States Congress is opened with prayer, and President Eisenhower and many



other Government leaders are faithful church members.

Even our type of warfare reflects the spiritual influence in America. Our armies are not trained to kill mercilessly, and by fighting only to preserve peace, we are not disloyal to the commandment "Thou shalt not kill."

Perhaps one of the most noted advances in spiritual guidance is the instruction of religious education in some of our public schools. This is done on a voluntary basis, compelling no one to enroll. By training and educating the youthful minds of the future citizens of our country, we are establishing the trend toward a more religion-conscious world.

The potentiality of religion in the world in the future years is unlimited. New, bigger, and better churches are being constructed continuously. The Word of God and Bible teachings are reaching more people today than ever before through the facilities of radio and television, evangelism, and home missions. If religion in our land continues to grow as it has in the past, the effect of this spiritual growth will someday overshadow communism and many of the other evils which now exist uncurbed.

### Misgivings of the Washington Post

#### EXTENSION OF REMARKS

OF

**CLARE E. HOFFMAN**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 3, 1955*

Mr. HOFFMAN of Michigan. Mr. Speaker, at least one thing can be consistently said of the Washington Post, now named the Washington Post and Times Herald; it is consistent and unceasing in its efforts to avoid supporting any thought or program which those who wrote the Declaration of Independence, the Constitution, or the Bill of Rights would have logically thought helpful toward either the establishment or the continuance of the independence, the Republic, and the opportunities which they gave us. Unceasingly, at least since it has been my misfortune to see and read it, the Washington Post has advocated policies which are more suitable to bring about the advance of other nations than that of the United States of America.

Almost without exception, in the slant of its news stories and the trend of its editorials, it has been against practically everything which those living in the Midwest at least have deemed vital and necessary toward the preservation of our constitutional form of government, the prosperity, the happiness and contentment of our people.

Over the same period, it has vigorously and without regard for the truth, at practically every conceivable opportunity attacked and opposed those in public office who have expressed themselves in opposition to the surrender of our sovereignty and independence of our Government.

The Post seldom, if ever, while speaking out against what it construes to be a denial of civil rights, while appearing to combat prejudice and hatred, has condemned lawlessness, violence, or reprehensible conduct on the part of politi-

cally powerful groups which support its own—the Post's—pet ideas.

Those who direct the policy of the Washington Post, whatever may be the individual personal beliefs or policies, seem to be more deeply concerned with the welfare of people in other lands, with the well-being and the security of other nations than they are with the people of the United States of America or of the Republic itself.

Typical of the methods of the Communist Party and of its socialistic doctrine is an editorial in this morning's Post, captioned "Curious Choice," and which reads as follows:

#### CURIOUS CHOICE

John B. Hollister, of Cincinnati, whom President Eisenhower has designated head of the new international Cooperation Administration to be set up in the State Department, is an able lawyer and administrator who has been executive director of the Hoover Commission. In his new capacity, if he is confirmed by the Senate, he will be in charge of all foreign-aid operations, including the technical assistance programs. The post demands unusual energy and special organizational gifts, both of which Mr. Hollister has. But it may be asked whether he wholeheartedly believes in the program he is picked to administer and whether he will bring to it the zeal which is required if the Asian part of it is to strike fire. If rumors concerning a preliminary Hoover Commission report on foreign aid can be relied on, Mr. Hollister's chief interest would seem to be to liquidate it as soon as possible.

Mr. Hollister is a former law partner of Senator Taft and a member of the Taft wing of the Republican Party. His choice for this significant post may have been influenced in part by a desire to keep the Taft wing of the party under the Eisenhower banner. If such is the case, it may prove to be as unfortunate as the appointment of Clarence B. Manion, former Chairman of the Commission on Intergovernmental Relations, whose resignation the White House requested when he criticized many Eisenhower programs. Mr. Hollister would make an excellent director of the General Services Administration or some other agency chiefly concerned with economy and efficiency. But the foreign-aid chief should be concerned with social and economic development programs as well as with economy and efficiency. He must be interested in bold experiments designed to raise living standards in the underdeveloped countries. These require the Government to take risks with its money in the interest of long-term and sometimes intangible returns.

We hope that our misgivings about Mr. Hollister, who is a man of ability, experience and patriotism, are ill-founded. But the Senate ought to satisfy itself on these questions before it approves him for a task that is of such importance in our foreign relations. The vigorous continuance of some form of foreign aid to the underdeveloped areas is an investment in world stability of vital concern to the American people.

Mr. Speaker, being compelled to admit that Mr. Hollister is a qualified, energetic, industrious, sound-thinking American, it views his appointment as head of the International Cooperation Administration with misgivings.

Apparently the appointment of any loyal American with sound business experience and undeviating devotion to the principles enunciated in the Constitution to any job carrying either the authority to determine policy or direct the expenditure of tax dollars is abhorrent to the Post.

### Tiger and the Veterans

#### EXTENSION OF REMARKS

OF

**HON. WALTER ROGERS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 4, 1955*

Mr. ROGERS of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Dallas Morning News of Sunday, April 3, 1955:

#### TIGER AND THE VETERANS

(By Walter C. Hornaday)

Representative OLIN E. (TIGER) TEAGUE doesn't like to see veterans shoved around. But neither will he stand for the men and women who fought the Nation's battles taking advantage of Uncle Sam.

Because of his interest in fair play, the Texas Congressman has been charged by some veterans' organizations with being "anti-veteran."

Nothing could be further from the truth.

Right now TEAGUE is up in arms against a proposal of a Hoover Commission task force to close 19 veterans hospitals, including 3 in Texas—at Bonham, Amarillo, and Marlin.

TEAGUE pointed out that most of these hospitals are practically new. He also said that it would the loss of 175 beds for mental patients at a time when the need for psychiatric care is growing. He protested against the long distances many veterans would have to travel to obtain treatment if the closing program were carried out.

"There is some obligation to provide an opportunity for medical care to all veterans of the Nation, regardless of their location," TEAGUE asserted.

TEAGUE also objected to a Hoover Commission task force recommendation to halt construction of any more veterans hospitals. He said it would prevent replacement of 16 hospitals scheduled for long-range replacement. They include temporary structures, converted hotels and other hastily arranged installations.

He feared the proposal also would prevent major renovation projects covering some 55 hospitals.

TEAGUE's fight on the hospital issue already has brought some success. The House Appropriations Committee raised an administration request of \$13,815,000 for modernization to \$30 million.

Its action showed Congress is not going to close hospitals, but rather is ready to spend large sums fixing up the existing ones. The Appropriations Committee members knew the position of TEAGUE and his Veterans' Affairs Committee when they acted.

Ever since TEAGUE came to Congress and was assigned to the veterans affairs group he has fought against the exorbitant demands of some veterans groups who have been encouraged by politicians seeking votes.

He had many tussles with former Representative John E. Rankin, Democrat, of Mississippi, while Rankin was committee chairman, and later with Mrs. EDITH NOURSE ROGERS, Republican of Massachusetts, when she became chairman under the Republicans.

Veterans' bonus bills kept popping up, and TEAGUE, aided by House Democratic leaders, did his best to stop them in committee. One did get through and failed of passage by only one vote on the House floor.

TEAGUE takes the stand that the veterans are not a select group but are responsible citizens. He feels they must consider the cost to their Government of any special consideration they receive and keep their demands within reasonable limits.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued May 6, 1955  
For actions of May 5, 1955  
84th-1st, No. 74

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HIGHLIGHTS: House passed 90% price support bill. Senate passed Interior appropriation bill, which includes FS items. Sen. Payne spoke against rigid price supports.

## HOUSE

1. PRICE SUPPORTS. Passed, 206-201, with amendments H. R. 12, to reestablish 90% price supports for basic commodities, provide for 80-90% supports on dairy products, extend the brucellosis program, and increase the school lunch program (pp. 4903-51, A3039, A3042-3).

Agreed to the following amendments:

By Rep. Cooley (for the committee), to delete provisions for a domestic marketing certificate plan for wheat (pp. 4912-15).

By Rep. Polk, to insure that the brucellosis provision would apply to 1956 as well as 1957 and 1958 (p. 4931).

Rejected the following amendments:

By Rep. Laird, to increase dairy supports to the level of the basics; by a 39-58 vote (pp. 4915-31).

By Rep. Rogers, Tex., to increase supports for grain sorghum to 80-85% of parity; by a 47-62 vote (pp. 4942-3).

By Rep. Green, Pa., (on a separate vote following consideration of the bill in Committee of the Whole) to strike peanuts from the list of basic commodities and to repeal the provisions for peanut allotments; by a 193-215 vote (p. 4949).

Rejected, 199-212, a motion by Rep. Hill to recommit the bill (p. 4950).

2. TRADE AGREEMENTS. Reps. Cooper, Dingell, Mills, Jenkins, and Simpson of Pa. were

appointed conferees on H. R. 1, the trade agreements bill (p. 4902). Senate conferees have been appointed.

Both Houses received from the President <sup>a message</sup> recommending legislation to permit revision of the 1946 trade agreement with the Philippines; to House Ways and Means Committee and Senate Finance Committee (H. Doc. 155)(pp. 4973, 4856).

3. DEFENSE DEPARTMENT APPROPRIATION BILL, 1956. The Appropriations Committee reported this bill, H. R. 6042 (H. Rept. 493)(p. 4966).
4. POSTAL PAY. Received the conference report on S. 1, the postal pay bill (pp. 4952-66).
5. COPPER IMPORTS. Passed without amendment H. R. 5595, to continue through June 1958 the suspension of certain import taxes on copper (pp. 4901-2).
6. BANKING AND CURRENCY. Rep. Patman criticized the Open Market Committee of the Federal Reserve System (pp. 4971-2).
7. ADJOURNED until Mon., May 9 (p. 4973). Legislative program, as announced by Majority Leader McCormack: Mon., postal pay, D. C. bills, statehood; Tues., statehood; Wed. through Sat., defense appropriations, reserve manpower, and perhaps salt-water research (with a "probability", however, that the reserve manpower bill will not be reached until the following week)(pp. 4951-2).

#### SENATE

8. INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATION BILL FOR 1956. Passed as reported this bill, H. R. 5085 (pp. 4867-75). (For provisions of the bill see Digest 71). Sens. Hayden, Chavez, Kilgore, Magnuson, Holland, Clements, Russell, Mundt, Young, Knowland, Thye, Dworshak, and Dirksen were appointed Senate conferees on this bill (p. 4874).  
Sens. Stennis and others commended Forest Service items (pp. 4871-5).
9. PRICE SUPPORTS. Sen. Payne spoke against the restoration of rigid farm price supports, stated that the flexible price-support program should be given an adequate test before talking about repealing it, and inserted a New York Times editorial on this subject (pp. 4863-4).
10. FORESTRY. Passed without amendment H. R. 2679, to protect scenic values along Oak Creek Canyon in Coconino National Forest, Ariz. (p. 4883). This bill will now be sent to the President.  
The Government Operations Committee reported with amendments S. 1006, to authorize reciprocal fire-protection agreements between departments and agencies of the U. S. and public or private organizations engaged in fire-fighting activities (S. Rept. 274) (p. 4859).
11. LANDS. Discussed and, at the request of Sen. Williams, passed over S. 748, to prohibit the U. S. from acquiring mineral interests in lands acquired by it except when necessary to serve the purpose for which such lands are acquired (pp. 4889-90).



The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

|                   |              |             |
|-------------------|--------------|-------------|
| Barden            | Gamble       | Powell      |
| Bolton, Oliver P. | Gray         | Prouty      |
| Canfield          | Heslton      | Reed, Ill.  |
| Chatham           | Hollifield   | Reed, N. Y. |
| Davis, Tenn.      | Jarman       | Riehlman    |
| Dawson, Ill.      | Judd         | Roberts     |
| Diggs             | Kelly, N. Y. | Sieminski   |
| Dingell           | Kilburn      | Walter      |
| Eberharter        | McCulloch    | Wickersham  |

The SPEAKER. On this rollcall 40 Members have answered to their names a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### CORRECTION OF ROLLCALL

Mr. BROOKS of Texas. Mr. Speaker on rollcall No. 44, on yesterday, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### PRICE SUPPORTS FOR BASIC COMMODITIES

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read section 1 of the bill. Are there any amendments to this section?

Mr. MARTIN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Chairman, I take this opportunity to extend my personal felicitations to a great American, a great legislator; one who has done such yeoman service for this country for years, who is 75 years young today, the gentleman from New York, JOHN TABER.

If there is anyone in this country who deserves the title "watchdog of the Treasury," it is JOHN. During his long service in this House he has saved this country many billions of dollars. Because of his service the taxpayers of America have been saved heavy taxes. He is a man who, regardless of political consequences, never failed to support legislation for the benefit of the country.

May he continue to enjoy good health and continue his splendid service for America.

Mr. KEATING. Mr. Chairman, will the gentleman yield to me?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. KEATING. Mr. Chairman, I want to associate myself with the distinguished gentleman from Massachusetts in the remarks he has made concerning JOHN TABER. JOHN TABER is loved by every member of the New York delegation on which he has served as its chairman. Many of us at various times have differed with our able and devoted colleague on this, that, or another issue, but there is no one among us who does not hold for him unbounded respect and affection.

I am delighted that at 75 he is just as vigorous as he was at 35, and I can only hope he will be going strong as many years in the future as he has served in the past.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. JENKINS. Mr. Chairman, the longer you know JOHN TABER the better you like him. I have known him perhaps longer than anybody on our side, because he is the second oldest man in point of service. Mr. REED is the oldest, and Mr. TABER is second. Our distinguished former Speaker [Mr. MARTIN] and I came in at the same time, 30 years ago. That is when I first came to know JOHN TABER, and, as I said before, I think more of him today than I ever did. He is a grand man and a grand American.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the distinguished Speaker.

Mr. RAYBURN. Mr. Chairman, I want to join in every kind word that the gentleman from Massachusetts [Mr. MARTIN] has said with reference to the personality and the services of our beloved colleague, JOHN TABER. He has been an outstanding Representative for many, many years. JOHN TABER's word is his bond. I have enjoyed my service with him.

I trust the gentleman from Massachusetts [Mr. MARTIN] will ask unanimous consent that all Members may have the privilege of extending their remarks on the life and services of JOHN TABER in the RECORD.

Mr. MARTIN. Mr. Chairman, I ask unanimous consent that all Members who so desire may be permitted to extend their remarks on the life and character and services of JOHN TABER at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I congratulate JOHN TABER on his 75th birthday. His distinguished record in the House of Representatives is one that we should all try to emulate. JOHN TABER has been an inspiration to me throughout my years of service in the Congress. May he live long and happily.

Mr. COUDERT. Mr. Speaker, I wish to associate myself with the remarks of our former Speaker [Mr. MARTIN], honoring the Member from New York [Mr. TABER] on his 75th birthday.

It has been my good fortune to serve under Mr. TABER's leadership on the Committee on Appropriations. The American people have no more devoted and able public servant than JOHN TABER. Warmhearted, loyal and thoughtful, he has endeared himself to all those who are privileged to enjoy his friendship.

I congratulate him upon his long and distinguished career, and wish him many happy returns of this day.

Mr. HALLECK. Mr. Chairman, I suppose if our esteemed friend, the gentleman from New York, the Honorable JOHN TABER, had his way this would be just another day in his long and distinguished career in the House of Representatives.

But the opportunity to pay my personal respects to him on the 75th anniversary of his birth is too good to miss.

JOHN TABER has dedicated the mature years of his life to the service of his country and the Nation owes him a debt of gratitude.

As colleagues of this kindly, helpful man we share in that debt, not only as citizens of America, but as Members of the Congress who have benefited beyond our ability to assess, by his wisdom, his integrity and his courage.

The extreme diligence with which our beloved friend has applied himself to duties as ranking Republican member of the Committee on Appropriations has been an inspiration to all of us. The results of his efforts provide the most eloquent testimonial to his effectiveness as a staunch advocate of economy in Government.

When JOHN TABER speaks, his is a voice which commands, and receives, the closest attention, reflecting the veneration and deep respect in which he is held by the membership of this body.

I join with his countless friends over the Nation in wishing him many, many happy returns of the day.

Mr. ROONEY. Mr. Chairman, one of the most pleasant experiences I have had since coming to the House of Representatives in the 78th Congress has been meeting, working with, and knowing my friend, JOHN TABER.

I join his many friends in expressing congratulations to him on his 75th birthday and wish him many happy returns of this day. May all the coming many years bring him and his charming wife much happiness and constant good health.

Mr. BEAMER. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. BEAMER asked and was given permission to speak out of order.)

Mr. BEAMER. One of the concerns of the Interstate and Foreign Commerce Committee, on which I serve, is the health of the people of our Nation. Each year funds are appropriated to the United States Public Health Service for the grant-in-aid program to the States.



A large part of these funds are used for the control of tuberculosis which remains our leading communicable disease problem. One of the cornerstones of a successful tuberculosis-control program is the search for active TB among apparently healthy people by using portable and mobile chest X-ray units. Such a unit will be available to us, the members of our staffs, and our families beginning at noon on Monday, May 9, in the first-aid room of the Old House Office Building. The following week the unit will be located in the anteroom to the House Ways and Means Committee room.

Since we are living and working in a city where tuberculosis is so prevalent, I urge all of you and the members of your staffs to avail yourselves of this service while it is so convenient. The survey is being conducted for us by the United States Public Health Service, the District of Columbia Tuberculosis Association, and the District of Columbia Department of Public Health.

In addition to being studied for the presence or absence of tuberculosis, your chest X-ray will be read for all other conditions which can be recorded on the film.

I again urge you to avail yourselves of this valuable service for which there is no charge.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. BEAMER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Chairman, I want to endorse everything the gentleman from Indiana has said. I hope every Member of the House and every member of their staffs will take advantage of this X-ray that is going to be available to us next week and the following week.

The greatest job those who are fighting tuberculosis in this country have to do is search out and find the unknown cases. This is one of the sure ways of finding those who have tuberculosis in the early form, and it also helps in finding other conditions, especially those having to do with the heart, that affect all people. We know today that with the drugs we have and the new medicines that are available to medical science, if we find these cases early enough all can be cured and saved. I hope everyone will take advantage of these mass X-rays that are going to be held.

Mr. BEAMER. I thank the gentleman.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

(Mr. DIXON asked and was given permission to revise and extend his remarks.)

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Michigan.

Mr. DONDERO. Mr. Chairman, like many other Members of the House I yesterday received a telegram which bears on the bill before us. I want to read it to the House. It comes from Charles B. Shuman, president of the American Farm Bureau Federation. It reads as follows:

We recommend defeat of H. R. 12, rigid price supports have contributed to present

difficult marketing situation for many farm products by stimulating production in excess of consumer demand, by loss of foreign and domestic markets, and the creation of costly income depressing surpluses. Production controls are reducing farm income. The 1954 law which only begins to gradually take effect with the harvest of 1955 crops should be allowed a chance to help adjust production and increase consumption.

I think we ought to know the position of the greatest farm organization in this country.

I thank the gentleman from Utah for yielding to me.

(By unanimous consent (at the request of Mr. HOLMES), Mr. DIXON was permitted to proceed for 3 additional minutes.)

Mr. DIXON. Mr. Chairman, the Post this morning contains a splendid editorial. It refers to the 90-percent parity program. It is entitled "Riding for a Bust." That is my thesis in the few minutes I have in which to speak with you.

Yesterday the 90 percent support prices on peanuts blew up in our faces because of an aroused public. Not long ago the entire potato program blew up in our faces for the very same reason. If H. R. 12 is enacted, other programs will blow up in our faces and the entire high-support program will be riding for a bust. I had in mind the wheat program. I would not doubt a bit but that our wheat farmers rather than continue high supports even if they were dropped to 82½ percent will vote out supports entirely and choose to take their chances on the market with only 50 percent supports rather than to take their acreage cuts required by high-support prices. The entire dairy industry threatened to blow up in our faces just a little more than a year ago. The situation was so dark there seemed no way out. Flexible supports came in and what did we find? Prices of butter dropped 9 cents per pound. The housewives of the United States purchased 20 percent more butter last month than they did in February a year ago. Milk has dropped in most areas from one to three cents a quart. The flexible price supports do benefit the consumers. Here is the undeniable evidence.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. GROSS. Can the gentleman give us any figures as to how many dairies have been closed in the last year?

Mr. DIXON. I have no figures on how many dairies have been closed, but I know that we produce more dairy products with fewer cows because the farmers are eliminating their boarders, they are more and more efficient and the organization is on its feet and it is getting back its markets in that wonderful, fine American way. I have talked to the leaders and they are optimistic, and they are more optimistic than they have been in a long time. Instead, the dairy products going into Government hands has been cut in half over the last year and these fine people are working their way out.

It has been charged that the flexible price supports are cruel to the farmer. Let us see which program has been cruel

to the farmer, and let us see which program has been a friend to the farmer. I hold in my hand a bulletin from the United States Department of Agriculture, No. 135. We know that farm income has decreased since 1947 by 25 percent. But under which program has that decrease come about? Which program has been cruel to the farmer and which program has been kind to the farmer. In 1947, and I read from this bulletin, the parity ratio was 115 points. In 1948, it was 110. In 1949, it was 100. In 1950, it was 101. 1951, it went up to 107 and in 1952, it dropped to 100. In 1953, it dropped to 92 and in 1954, it dropped to 90. That is the first chance we had for flexible supports to go in—and that only on the dairy products. Under the rigid supports, the parity ratio dropped 27 percent. Under the flexible price supports, it has dropped 2 percent.

Now, who is the friend of the farmer, and who is cruel to the farmer? The decline in farmers income has come under rigid high supports.

I wish to say that H. R. 12 is a poor bill. First, because we are riding for a bust if rigid price supports are continued. It is apparent that the chickens are coming home to roost on this 90 percent program.

Second, I would like to see the peanut growers given a chance to take their problem back to the committee, because if supports are eliminated entirely on peanuts and they go on the world market which is 5 cents a pound when our market on peanuts is 28 cents a pound, the change might be too drastic—is too drastic. I believe the committee could help out if the bill were recommitting.

Third, while I am in favor of a reduction of brucellosis, and while I am in favor of increasing milk for the school program, I cannot vote for those two things under this bill because I am against rigid price supports. They should be out of the bill.

Mr. Chairman, I wish to discuss the implications of action taken by this House yesterday, when peanuts were removed from the list of basic commodities.

Price support for the 1955 crop of peanuts under the present law has not been announced, but in all likelihood it will be at 90 percent of parity, or 12.2 cents per pound.

If H. R. 12 should be enacted into law, carrying yesterday's amendment, the law would require no price support for peanuts. What the price might be under those circumstances, no one can tell. World prices of peanuts and peanut products give some guidance; based on such information as I have been able to gather, the price of peanuts in the United States might well be 5 cents per pound.

Not only this; if there is no price support program for peanuts, there is no basis for restricting imports through the use of section 22. Thus peanut producers would have no protection from foreign suppliers of peanuts and peanut oil.

Under the present law, the Department of Agriculture has been very considerate of peanut producers. Only yesterday, an increase of 7½ percent was announced in the 1955 marketing quota.



If I were a peanut producer, I would long remember a vote by my Representative in Congress, favoring a bill which contained a provision which, at one stroke, cut my price in half and subjected me to the unfettered competition of the world market. It would make no difference to me whether I favored rigid supports or flexible supports, whether I were a Democrat or a Republican.

If I were a peanut producer, with my price about to be cut in half, I would immediately lose interest in trying to obtain 90 percent of parity for wheat producers, or corn producers, or cotton or rice producers.

If I were a peanut producer, I would sense, in the action of this House yesterday, the fact that there was more safety for me in the moderate price support levels of the Agricultural Act of 1954 than in the high rigid levels of H. R. 12.

I would prefer the demonstrated goodwill, moderation, and helpfulness of the administration, as expressed in the Agricultural Act of 1954 to the excessive and dangerous demands of H. R. 12.

And if I were a Representative from a peanut producing area, I would vote to recommit this bill.

Mr. ALBERT. Mr. Chairman, I move to strike out the last 2 words, and I ask unanimous consent to address the House for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman from Utah [Mr. Dixon] has just said the peanut program "blew up in our face" yesterday because of consumer resistance. I think it is perfectly clear that any blowup that occurred was the result not of any consumer's complaint but of the outstanding and very able manipulation of the gentleman from Indiana [Mr. HALLECK], who has so ably controlled this debate for a great many years that there has never yet been a clear-cut vote on this floor between 90 percent and 75 percent supports. The gentleman from Indiana [Mr. HALLECK] has been successful in his effort to fix it so that there will not be any clear-cut vote today, unless we defeat this peanut amendment when it comes up for a vote in the House. I think it is clear that the gentleman from Indiana is more interested in putting the Representatives from peanut-growing areas in a position where they will have to vote against the bill. When the Republican leadership succeeds in this, where do the candy manufacturers find themselves? Where do the Democrats who pulled the Republican chestnuts out of the fire find themselves?

Mr. ALBERT. I cannot yield further.

I agree with the gentleman, and I yield to no one in my admiration for the gentleman from Indiana [Mr. HALLECK].

I would like to suggest also that a minor influence in this matter goes back

to a meeting of the peanut users in Chicago on August 5, 1952, when Mr. Charles Scully, who presided over the meeting, said that in order to save the peanut industry they would have to raise money first to win a vote in Congress, changing peanuts from a basic to a nonbasic commodity status; or, failing to do so, to win a disapproval of quotas in the next peanut-farmer referendum.

Mr. Chairman, I think it is evident that a lobby has been active in this field, and I think also it is obvious that these same people who say they need to save the peanut end users have been doing pretty well.

I hold in my hand a list showing the profits of some of the peanut end users of this country.

One of these companies made a profit last year of \$1,035,000; one made a profit of \$1,263,000; another made a profit of \$230,559; another \$768,820; another \$7,090,707; and another \$1,182,083. These are the people we are asked to save here by the passage on final vote of the amendment which was agreed to in the Committee of the Whole on yesterday.

Mr. Chairman, who is on the other side of this question? The answer is the smallest dirt farmers in the country. In 1932 peanuts sold in the State of Oklahoma for 25 cents a bushel, paying in net return to the peanut farmers less than 5 cents an hour for their labor. That was before we had a support program.

Somebody has said this will benefit the end users; of course it will benefit the end users. Someone has said that it will fire the furnaces of the peanut industry. Yes, it will fire the furnaces of the candy companies. It will fire the furnaces of the confectionery trust. But I ask you, on what fuel will that furnace be fed? It will be fed on the sweat, and the toil, and the standard of living of the families of the peanut farmers of this country.

Mr. Chairman, the money that the peanut farmer gets from his crop goes into the absolute essentials of life. What we are discussing here is school books, school shoes, dresses, ribbons, and Sunday clothes for the children and families of the smallest farmers in America. There is no doubt about that.

Mr. Chairman, over the last 20 years representatives of industry and agriculture, representatives of the farmer and the factory worker have gone down this aisle together writing a history of progressive legislation unparalleled in the annals of time. Hand in hand they have written a new record for the benefit of those who earn their bread in the sweat of their faces. Working together, they have placed upon the statute books of this country the wage-and-hour law, the Agricultural Adjustment Act, the Labor Relations Act, the social-security law, the Rural Electrification Act. This was progressive legislation. Today, if we follow the Committee of the Whole, we are taking a backward step. We are returning to the days of "boom and bust," of exploitation of little people.

Peanuts are a basic commodity in about eight States in this country. I

ask you in simple justice to put back into this legislation a segment of American agriculture which more than any other that I know of depends upon the progressive farm legislation that has been passed in this House during the last 20 years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. GROSS. I am sure the distinguished gentleman from Oklahoma wants to see the peanut grower get the same quality of treatment as the beet-sugar growers in this country. I support the sugar-beet growers of this Nation, and I suggest peanut growers be given at least a small measure of their protection.

Mr. ALBERT. I agree with the gentleman.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. VURSELL. Speaking of a lobby, does the gentleman feel that businessmen who hold meetings and discuss their problems should not have that right? Does that make them a lobby?

Mr. ALBERT. No; I did not say that.

Mr. VURSELL. And if you want to get into lobbying, has there ever been a better lobby than the peanut lobby? How long does it take to get from Georgia up here for a night meeting? Many times they have come here for hurry-up night lobby urgent meetings.

Mr. ALBERT. The gentleman knows I was not criticizing any lobby. I was merely pointing out what happened.

Mr. VURSELL. Does the gentleman contend that the great candy business of this country has not the right to be heard?

Mr. ALBERT. Mr. Chairman, I yield no further.

The gentleman knows I was not criticizing any industry. All Americans have a right to be heard. We want peanut end users to make a profit, but we do not want them to make exorbitant profits at the expense of the very livelihood of the people we represent.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Texas.

Mr. POAGE. I wanted to point out a moment ago that the gentlemen for whom the gentleman from Illinois was concerned are not going to get a thing in the world, if the effort of the gentleman from Indiana is finally consummated because the only purpose of adopting the amendment yesterday was to defeat this bill. If they succeed in tying on undesirable amendments they put many Members in the position where they must vote against the bill and defeat the bill. Then what have they done to the gentlemen now in the gallery representing the candy industry? Actually they will not have done a thing for the candy manufacturers. All they will have done will be to defeat H. R. 12, and that is about all that three-fourths of those who voted for the peanut amendment wanted to do.

Mr. ALBERT. The gentleman is correct. Somebody said yesterday they



will give them the candy today and take it away from them tomorrow.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I understand from a quotation in the newspapers that the chairman of a committee in the other branch, which I am not able to refer to, states that this bill is not going to be considered this year. Where do you go if you pass this bill?

Mr. ALBERT. Of course, the gentleman from Massachusetts is a very distinguished and an alert gentleman. He knows this body has its own responsibilities. The gentleman, I am sure, will agree that we should not look to any other body or anywhere else in the discharge of our duties.

Mr. MARTIN. The gentleman is bringing up the question of the other side and I thought we ought to have the record very straight on that.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Being anxious to get that peanut amendment back, will the gentleman advise the committee as to why we adjourned yesterday at half past 3 to come in this morning at 10 o'clock? What was the purpose of the adjournment last night?

Mr. ALBERT. I did not make the motion to adjourn and I was not consulted about it, I may advise the gentleman.

Mr. KING of Pennsylvania. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, of course the gentleman from Utah is correct that this price-support business will go bust simply because the people will find out what is happening to them. I think it might be interesting for you to know where this price-support money goes.

There may be some room for argument as to how much the price support and Government purchase programs have cost the taxpayer and there may be some little inaccuracy in determining where the tax money supporting the programs goes. But I am sure that all of you, who are interested in schemes for redistributing the wealth of the country, will be interested in considering the statement of the Commodity Stabilization Service giving the State by State distribution of loans made on 1952 crops, together with the statement of the Internal Revenue Service showing the State by State payment of Federal taxes.

As you know, the State of New York pays the most—amounting to 18.6 per cent of the total for the Nation. New York State pays 20 times the Federal taxes paid by Kansas. But Kansas gets 154 times as much of this loan money. New York pays 20 times as much Federal tax as Iowa. But Iowa gets 100 times as much as New York State in the distribution of these loans. New York State pays 8 times the Federal taxes that North Carolina pays. But North Carolina gets 58 times as much of this loan money as does the State of New York.

Texas, with all of its oil millionaires, pays less than half as much Federal taxes as is paid by Pennsylvania; but in the distribution of this Government bounty, Texas collects 75 times as much as Pennsylvania.

Minnesota pays just about half the Federal taxes paid by New Jersey, but, in price-support loans, gets over 90 times as much as New Jersey.

Mississippi has some ardent advocates of rigid supports, but you cannot blame them. Mississippi pays only one-fourteenth as much as Maryland in Federal taxes; but Mississippi takes 20 times as big a piece of this pie as Maryland. North Carolina pays less than one-third of the taxes that Pennsylvania does but gets 75 times as much of this price-support money.

Mr. Chairman, I do not like to point out the special interests of the various geographical sections of the country, because I believe this House is entirely too much inclined to vote on a sectional basis. But, if ever there comes a time when Congressmen should be aware of the interests of their own districts in a piece of legislation, it is now, during the consideration of this bill.

Another example will emphasize the point. Delaware pays 12 times as much taxes as North Dakota and 11 times as much as South Dakota, but in distributing that part of the tax money which supports the farm price-support program North Dakota gets 80 times as much as Delaware and South Dakota gets almost 60 times as much as Delaware. This is redistribution of wealth on a grand scale.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. I would like to ask the Chairman how much time the members of the committee have had not only in the 4 hours of general debate but on the pro forma and other amendments?

The CHAIRMAN. In the opinion of the Chair, right smart.

Mr. MATTHEWS. Mr. Chairman, I suppose in the minds of some of my colleagues that might call for an apology, because I am a member of the committee. But, I am not going to apologize.

Mr. Chairman, I think there is one point that we ought to emphasize here that has not been emphasized to the extent that it should, and that point is What are we going to do with the little farmer? Now, I admit that the great agricultural programs under which we have been operating have not worked to the extent that I would like to see them work to help the little farmer, but what plan has been offered to us to aid us better to keep 115,000 laborers who are leaving our small farms each year to go into the cities because they are having an increasingly difficult time to make a living on the farm? Mr. Chairman, in addition to these 115,000 people who are leaving the farms every year, there are about 20,000 to 30,000 more from the little towns who are dependent for their very

lives on these farmers. They are joining this large force, and they are creating in our cities a problem that we are going to have to face sooner or later.

Now, the gentleman who just preceded me talked about the cost to the great State of New York for this farm program. I would like to remind him that during the past 10 years we have paid out in unemployment compensation over \$2 billion, and I want to suggest to the gentleman that I think the taxpayers of New York will be saving money if they can help us in this farm program devise a better way to keep our little farmers on the farm and not cause them to have to go to the great cities of our country where you know now we are suffering in certain areas the great problem of unemployment.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. MATTHEWS. I cannot fail to yield to the gentleman.

Mr. HOFFMAN of Michigan. Just a little one.

Mr. MATTHEWS. I will be delighted to yield.

Mr. HOFFMAN of Michigan. Now when your folks are driven off the farms and go to the cities to get jobs, do they not then have to pay Walter Reuther or the other organization for the privilege of working?

Mr. MATTHEWS. I do not know the answer to that question, sir.

Mr. HOFFMAN of Michigan. Well, they do. I know it.

Mr. MATTHEWS. I just do not know it.

Mr. HOFFMAN of Michigan. They do.

Mr. MATTHEWS. But I know one thing. You will agree with me when I say that the problem of unemployment is one of the big problems we have to continue to try to face.

I have checked the President's program as carefully as I can, and he has given us now some ideas about how to help the little farmer, but I tell you I cannot see one thing that is a bit different from what we have been trying to do. The great problem of the little farmer is to find a market for his goods. How better can you help him find a market than by reason of this parity program that has been worked out painstakingly throughout the years, and if there be some defect in it, I think the responsibility lies upon the Members of Congress to improve the program rather than take away from the little farmer the markets that he has.

Yesterday, Mr. Chairman, the committee approved an amendment that did away with the peanut program. I have some small farmers in my district who plant peanuts and I tell you it will ruin the economy, I think, of at least 1 or 2 counties in the 8th District of Florida.

Someone has criticised a previous Secretary for plowing under little pigs. I say to you, not in a moment of passion, but with all the sincerity I possess that I think it is far better to plow under little pigs than it is to plow under little farmers.



Mr. Chairman, I want to say that if anyone can offer any program that is fairer to the consumer, that is fairer to the farmers, that is fairer to the taxpayers, than this program that we have proceeded upon and the principles of which are elaborated upon in H. R. 12, I want to follow that program. I am not wedded to any particular program to help this great problem of agriculture, but I say to you that I think this program, the one we now have, is the best one that I see in the offing and I am going to continue to vote for the plan that I think is the only plan that I see to help the little farmer.

It is a tremendous problem and I hope during this debate we do not forget the plight of the little farmer.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. There are many of us whom the gentleman has convinced. We want to help the little farmer, too. But how can we in the cities help the little farmer and yet not give a killing to these big corporation-type farms? There are two kinds of farmers, one the little household type of farm we want to protect. But when you put these prices away up and lay up all these surpluses, you finally come to the point where you have to ask, What are you going to do with the surpluses?

Mr. MATTHEWS. The gentleman has suggested a very important question. I think there are a number of answers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina, who, I am sure, has the answers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, I want to inquire whether the gentleman proposes to yield to other members of the committee who have already had, as the chairman has suggested, right smart time.

Mr. MATTHEWS. I will say to the distinguished gentleman that I did not ask for the extra time but I shall yield to him, if he will stand up and ask me to.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that the gentleman from Florida be permitted to proceed for 3 additional minutes?

There was no objection.

Mr. MATTHEWS. I yield to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. I would like to say to the gentleman from Pennsylvania [Mr. FULTON] that we are dealing here only with the producers of basic agricultural commodities which are not grown in any abundance in the gentleman's State. The gentleman asks what we are trying

to do to bring supplies in line with reasonable consumer demand. We are reducing acreage drastically in wheat and cotton and in these other commodities. Mr. Benson himself did not ask for a decrease in peanuts. He asked, yesterday morning, for an increase of 7.5 percent. Tomorrow morning he may ask for another 7.5 percent. The peanut farmers are eager to supply the market adequately. If you take away from Mr. Benson his control over acreage allotments and marketing quotas and price supports, I do not know what would happen to the peanut farmers.

Mr. Eisenhower, if I may say so, in his message, certainly did not recommend any change in the peanut law. Neither did Mr. Benson.

Why should Congress now take away from this law which is on the books the protection afforded and break faith with the peanut farmers and make it difficult for Mr. Benson to carry out his part of the bargain?

Mr. FULTON. Mr. Chairman, will the gentleman yield to me?

Mr. MATTHEWS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. It does make me feel bad when I hear these statements that we are taking something away from the small farmer. What I think these gentlemen ought to do is to come up to Pittsburgh and get Ben Fairless and Dave McDonald and have them organize these small farmers.

Mr. COOLEY. All peanut farmers are small farmers. I have more small farmers in North Carolina than there are in any other State in the Union. I do not want to see them plowed under.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield.

Mr. THOMSON of Wyoming. We also are concerned about our small wheat farmers who are being forced off the farm, because acreage allotments are, a necessary evil of higher price supports. But if I understood this same committee correctly, when we were talking about increasing the small cotton-acreage allotment and the small rice acreage allotment, it was argued by the same people at that time that we had to increase those acreages to prevent this movement off the farm.

Mr. MATTHEWS. Of course, that helped just a very small amount, I personally think the program has been a very good program.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all Members be permitted to extend their remarks at this point in the RECORD on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MUST THE FARMERS GET SLAPPED DOWN AGAIN?—  
IF WE MUST HAVE FLEXIBLE PARITY, HOW  
ABOUT FLEXIBLE EXPENSES?

Mr. KRUEGER. Mr. Chairman, it seems to me everybody in Congress and most folks over the country agree that the farmer is in pretty bad shape. He is really in trouble. Since 1951, his net

income has declined 28 percent. His costs are up 14 percent. How serious the situation is for agriculture is reflected in the decline of 34 percent in income taxes paid last year by the farmers. Over the Nation, business is on the up-stream. The United States is enjoying the greatest peacetime prosperity ever known. Production is up. Income is up. That is, it is up for everybody but the farmer.

A recent survey of 20 occupations found all in a better position than last year, and with the prospect of a still better income for next year. For the farmer the situation is reversed. If flexible parity is maintained, he can be certain that his income for next year will be down to an alarmingly low level. No one objects to good times; to a sustained high level of business; prosperity for the country. But the farmer should share it.

And while Congress is debating the issue of flexible parity with the further decline of farm income, they are certain one of the next proposals will be a minimum-wage law for labor. Increases in postal pay and Congressional pay have been passed. And still there are those who want the farmer to take a worse beating than he has suffered and go for flexible parity. Excessive surpluses are held responsible for the present situation. But these surpluses could be wiped out by another drouth—another national emergency and in a short time. The surpluses followed demands made on farmers during wartime when they were asked to expand; to increase their production. They did respond marvelously with the food and fiber that meant victory; food that kept a good part of the world in fighting trim. Because of that response, they find themselves down toward the bottom of the economic ladder while the rest of the country enjoys prosperity.

Better income for the farmer does not mean higher cost to the consumer. Two members of the Committee on Agriculture purchased on the open market 12 articles processed from the 6 basic commodities. The cost was \$5.31; the farmer's share of this \$5.31 was 79 cents. The balance of the retail cost was for processing, handling, and marketing. A loaf of bread sells at an average price of 17 cents—the farmer gets 2½ cents for the wheat that is in that loaf of bread. Less than 30 cents represents the cost of the cotton in a \$3.95 shirt.

Opponents of 90 percent of parity complain about the excessive cost of the price-support program. All of the losses of the Commodity Credit Corporation and the conservation program, and the other help to agriculture for the period 1932 to 1954 total \$8,469,200,000. It seems like a vast amount of money would be spent to maintain our farm markets. But it is small compared to the payments that have been made to industry and business over the same period. No one was alarmed over a 10-year postal deficit of over \$4,300,000,000. Merchant marine subsidies total more than \$100 million a year; airline subsidies \$80 million a year. Industry was paid \$14 billion to convert to wartime production, and another \$40 billion to



change back to peacetime production. Yet this item of cost has been one of the chief complaints against the maintenance of a program that means some stability for the man that feeds us.

Industrial production can be speeded up or slowed down according to the demands of the market. Farmers accepted restrictions and controls, but still the surpluses mount. Acreage reductions have come to the point where if there was a 100 percent of parity the farmer would be hardpressed to meet the economic pressures of the price operation. Perhaps we will never accomplish complete farm stability through legislation, but if we do not make the effort to put the farmer in a wholesome economic relation with the other segments of American life we are asking for trouble for the Nation.

Mr. WIDNALL. Mr. Chairman, in my congressional district 3 of the 5 counties are farming counties. In these 3 counties are 180,000 people.

The overwhelming majority of the farmers in these counties are for the flexible parity program and oppose a return to rigid parity.

Many hearts have bled on the House floor seeking support for the rigid parity program as a help to the small farmer, the little farmer.

The farmers in my district are small farmers, a great many operating family farms. It is my impression that the big farmer with thousands of acres in his farm profits by rigid parity and seeks its return.

It has been amusing to listen to the debate today and yesterday and hear the name of our fine Secretary of Agriculture continually used by the rigid parity advocates in an effort to defeat the peanut amendment. It is realistic to say that when it comes to final passage no rigid parity advocate will be called upon to follow the recommendations of the Secretary of Agriculture for continuance of the flexible parity program.

The New Jersey Farm Bureau and the American Farm Bureau with 1,600,000 farm members are opposed to this bill.

I will vote against this bill in the interest of the consumer, the farmer, and for the national welfare. Rigid parity can only lead to continuation of our staggering surpluses.

Mr. McDONOUGH. Mr. Chairman, as a Representative from a consumer district, but from an agriculture-producing State I am opposed to the passage of H. R. 12 as submitted to us by the House Agriculture Committee which provides for a rigid 90 percent of parity on staple farm products. Under this policy tremendous surpluses pile up and Government subsidy continues to grow and increase which bring about the difficult and costly problems of storage and disposal problems of surpluses which the taxpayers of this Nation have been burdened with for years.

This 90 percent rigid parity program also requires control of acreage for planting of these staple crops, thus putting the farmers and ranchers under control of the Federal Government. This rigid 90 percent of parity also is

driving the farm production into socialism and creating a demand by those farmers who do not produce basic crops that they also be subsidized because of the effect that 90 percent rigid parity has upon them.

It is also causing some industrial producers to demand that they are entitled to some consideration for subsidy from the Government the same as agricultural producers.

This is not a healthy condition and could lead to the nationalization of agriculture and industry which proved so unsuccessful in Great Britain.

I believe the program for reducing parity advocated by Secretary of Agriculture Benson is the proper course to follow. Under his plan the farmer will be free of Federal control; surpluses will be reduced and made far less costly, and food prices will be reduced and stabilized.

I favor the flexible parity price-support program for basic crops provided for in the Agricultural Act of 1954. I do not want to see the program repealed which H. R. 12 would do.

I think we should allow the flexible-price program to operate long enough to prove its full worth.

This flexible-parity program will:

Reverse the present recession in agriculture; prevent a possible breakdown of major operation of the small-farm program; avoid unemployment among workers in cities and the damaging effect on the whole economy that would result from continuing economic distress on farms; assure continued abundance of food and fiber for the Nation, at fair prices to consumers, and meet the needs of national defense and maintain a level of income in agriculture that will enable farmers to conserve and improve the soil, which is our most basic and indispensable natural resource.

Because I believe H. R. 12, providing for 90 percent of parity will not do these things which, in my opinion, are essential to the agricultural economy of the Nation, I will vote to recommit this bill and, if this fails, I shall vote against the passage of H. R. 12.

Mr. PRESTON. Mr. Chairman, the grave and urgent need for an absolute minimum of 90 percent of parity on basic farm commodities may be conclusively demonstrated by a recital of a few indisputable facts. I emphasize "facts" as distinct from theories or wishful thinking.

Ninety percent of parity is not only essential for the survival of our farmers. It is mandatory to prevent a general collapse of our economy.

First, let me cite a tragic paradox of the policy of the present administration. The President has already recommended an increase in the minimum wage from 75 cents to 90 cents as a means "to increase consumer buying power."

Simultaneously, or rather earlier, the administration demanded and received a reduction in the parity price of farm commodities, which directly and effectively cut the purchasing power of millions of Americans who earn their livelihoods on farms.

The National Planning Association has already predicted a rise in unemploy-

ment this year unless "Government and industry act to increase consumer buying power and industrial production."

On the record the administration is seeking to raise the purchasing power of industrial workers, but at one and the same time it has effectively, and I may say, tragically, slashed the purchasing power of the American farmer by reducing parity on basic commodities.

I submit that the administration is pursuing a fantastic policy in seeking to increase consumer purchasing power, while at the same time it is reducing farm income below a bare subsistence level.

Now what about parity? I submit that the metropolitan press, propagandists for special interest and, I must add, high officials of this administration have perpetrated the falsehood that full parity means extravagantly rich farmers. That full parity means city people pay exorbitant prices for necessities of life while the farmers are riding around in high-priced automobiles enjoying their subsidized gains.

Gentlemen, this picture is untrue. But do not take my word for this. Let us look at the cold, hard facts.

In 1949 basic farm prices stood at 99 percent of parity. Not 90 percent but 99 percent. Now did the farmers of this Nation bask in the radiant sunshine of fabulous prosperity in 1949?

In 1949, the year of 99 percent parity, the average net income of farm people was only one-half that of nonfarm Americans.

But let us not judge this critical situation by one year alone. Let us take a look at 1951. In that year the average of basic farm prices was 107 percent of parity. Not 90 percent; not 95 percent; not 99 percent, but 107 percent of parity.

Surely, with basic farm products at 107 percent, the farmers should have been driving high-powered convertibles and looking at television on golden screens.

But what was the case? What were the facts?

In 1951, with parity at 107 percent, the average net income of farm workers reached the astounding peak of \$1,718 for 12 months works. This amounts to almost exactly \$33 a week. And remember, this annual earned income of \$1,718 was when the prices were 107 percent of parity.

Now what was the comparative earnings of industrial workers in that year of 1951? Gentlemen, when the farmworker made \$33 a week, with parity at 107 percent, his city cousin, working in industry, averaged \$3,416 a year. The industrial worker made about \$66 a week to the farmworkers' \$33.

This bill is designed to establish parity at 90 percent. But I am sensitive to the fact that if this legislation is reported out and enacted into law, it will only provide the farmer a bare subsistence.

Authoritative estimates of 1955 income for workers in 20 different categories show that the income for this year for workers in 19 occupations is expected to be more than in 1954. The one category



in which 1955 income is expected to go down is farming.

Let me emphasize, gentlemen, that we do not propose to reward inefficient farming operations. The farmer has lost none of his energy or industry. In fact, fewer farmers are producing more agricultural commodities than ever before in our history.

In 1910, 1 farmer produced only enough for himself and 6 others. In 1953, 1 farmer produced enough for himself and 17 additional individuals. Listen to this: In 1910 it required 35 Americans out of each 100 to produce crops and livestock to feed and clothe America. In 1930 only 25 Americans were required to produce needed crops and livestock; in 1945 only 18 were needed; and in 1954, only 14 Americans out of every 100 were needed to produce the crops we require.

These simple figures demonstrate graphically how the American farmer has increased his productive efficiency through the years. We hear a great deal about increased industrial efficiency, but I say to you that the increase in farming efficiency is no less dramatic.

The farmers' plight is admittedly bad. These 1955 estimates demonstrate conclusively that it is going to get worse. I am attempting to get legislation enacted which will guarantee 90 percent of parity now. This will not solve the problem, but it may avert a disaster. Let me remind you that less than one-half of the farm homes of this, the most prosperous Nation in the world, have running water.

It is appalling to me that this effort to obtain 90-percent parity for our farmers encounters such relentless opposition from the Republican administration.

It seems to me that the Republican membership of the House might be concerned with living up to their party's campaign pledges, even though the executive branch of the Government has so brazenly abandoned its 1952 position:

The Republican Party is pledged to the sustaining of the 90-percent parity price support and it is pledged even more than that to helping the farmer obtain his full parity, 100-percent parity, with the guarantee in the price supports of 90.

You recognize these words, I am sure, as those uttered by Candidate Eisenhower at Brookings, S. Dak., on October 4, 1952. That was when the present occupant of the White House was seeking the votes of the farmers.

Today, Mr. Chairman, we are not wooing the farmers for their votes. We are trying to enact legislation that will assure them a bare subsistence for themselves and their families.

Where is that bright promise to the farmers in 1952?

Like so many brash promises made by Candidate Eisenhower, it has been repudiated. And the farmers whom he pledged so glibly to help are now being faced with hardship and ruin because the Republicans have not kept their promise.

This measure to assure 90 percent of parity is not an administration bill that we on our side are supporting to help out the administration as we did on the Formosan question; as we did on reciprocal trade; as we have done so often.

No, Mr. Chairman, this is a Democratic measure, reported out by a Democratic committee majority. But it had to be a Democratic measure because the Republican Party has so shamelessly abandoned the pledges of its candidate in 1952; and I might add the pledge of the Republican Party.

The Members of this side of the aisle have helped this administration enact its program time after time. Now, I invite my colleagues on the other side of the aisle to help us Democrats write into law a solemn pledge that your candidate made in 1952.

I urge you that 90 percent of parity is absolutely essential to the continued survival of our farmers.

Despite the words of the Secretary of Agriculture; and reassurances of the bankers who have so loud a voice in agriculture policy, I know of my own experience; of my own contact with the farmers in my district that they face a desperate plight.

High stock prices on the exchange on Wall Street may mean prosperity to the inner circle of advisors to the President. High stock prices may mean millions to those who are so fortunate as to have a large holding of stock in the corporations of America.

But I submit, Mr. Chairman, that high stock prices and other indices mean nothing to the farmer who is being ground between high fertilizer, seed and feed prices on the one hand, and constantly declining prices for his products on the other.

Only recently, the Joint Committee on the Economic Report sounded a warning that lowered farm income presented, perhaps, the gravest threat to the Nation's economic prosperity. I say that, to a degree, we can here and now diminish that threat by enacting this legislation to assure prices at 90 percent of parity.

Need I remind you, gentlemen, that we are not discussing any small segment of the American economy?

Does not the specter of depression haunt you when you consider what has happened in the past when farm prices collapsed?

Never has the American economy been able to sustain itself without a healthy agriculture. The farmers of this Nation were suffering acutely long before the stock market crash of 1929 sent the Nation into an economic tailspin that imperiled its very existence.

This is no dole that we are asking for the American farmer. This is a subsistence price for the products of his enterprise; a bare subsistence price, I may add.

It is distressing to find so little understanding of the nature of price supports. Our manufacturers have the protection of tariff, historically. In fact, the second piece of business considered by the First Congress of the United States was concerned with protection for the infant Nation's industries.

Our great population of industrial workers have laws to protect them against unfair practices, and minimum-wage laws to assure them a fair return for their labor.

This Nation's investing public has the Securities and Exchange Commission to protect it from the conscienceless schemes of irresponsible promoters.

Our merchant shippers are provided with subsidies to enable them to compete with foreign fleets, which pay lower wages and otherwise hold an unfair advantage over domestic lines. We all know how the Government pays a portion of the costs of airline operation to offset disadvantages that confront them because of complex competitive factors.

I shall not even attempt to enumerate the advantages granted by the Congress to great business enterprises which are, for various reasons, given rapid tax writeoffs that run into the millions.

Mr. Chairman, I could go on and on. I do not contend that these special subsidies, these Government-granted advantages are evil. I think in many instances they are essential to our defense needs and the effective functioning of our free economy.

But I do ask, in all sincerity, why is the farmer picked out for criticism and ridicule when an attempt is made to gain for him a price support that will keep him in business?

In this matter of subsidies and aids to special groups of our citizens, I would, Mr. Chairman, like to invite your attention to some recent history.

For the fiscal years 1949 to 1955, inclusive, Government spending for "Current expenses for aids and special services," as reported by the Bureau of the Budget, are as follows:

For agriculture, \$3,773,000,000.

For business, \$5,873,000,000.

For labor, \$1,435,000,000.

For veterans, \$32,678,000,000.

For general aid, \$9,880,000,000.

It is evident from these figures that the farm program is not out of line with other expenditures of the Government for aids and services to other groups.

Federal aids and special services include such items as the postal deficit, subsidies to the merchant marine, and airlines; defense production expenses. However, tax writeoffs are not included in these figures.

We have all read in the metropolitan press and had dinned into our ears by administration farm orators that 90 percent of parity means that farmers will price themselves out of the market. Mr. Chairman, this just is not so.

Let us examine what parity means in terms of the price of the finished products that are purchased by you and me and our families and the millions of other American consumers.

The goal of the administration, heedless of Mr. Eisenhower's 1952 pledges, seems to be 75 percent of parity as against 90 percent of parity. Now, as regards the consumer, what is the difference? We know that this 15 in parity support means the difference between subsistence for the farmer, and bankruptcy. Now what does it mean to the consumer?

Ninety percent of parity as distinct from 75 percent of parity means 4 cents more on the cost of a \$3 shirt. If the parity were reduced to 75 percent it would mean a maximum difference of 5 cents on a \$5 cotton house dress.



Do you know any man or woman who is going to be deterred from buying a shirt or a dress by a difference of 4 or 5 cents? And the consumer would receive this minute saving only if the entire cut of 5 cents per pound on the price of cotton were passed on to the buyer.

The farm value of wheat in a 1-pound loaf of bread, at 90 percent of parity—1953—was 2½ cents. This 1-pound loaf of bread was sold for a little less than 17 cents. The cut in price to the consumer if wheat supports were lowered would be much less than 1 cent. Wheat prices would have to be reduced by 80 cents a bushel to save the consumer 1 cent on the price of a loaf of bread.

All right, now what is the support price on tobacco? Do you know that the farmer's share of the price of a package of cigarettes is 3½ cents? When you pay 20 or 25 cents for a pack of cigarettes the farmer gets just over 3 cents as his pay for producing the tobacco.

To save the smoker 1 cent a pound on a package of cigarettes the selling price of tobacco would have to be cut 15 cents a pound. Even Secretary Benson does not openly advocate so drastic a cut.

The point I am making is that to cut parity on tobacco down to 75 percent will not save the consumer 1 red cent on the price of the finished product. Its only result will be the complete bankruptcy of tobacco farmers.

If low farm prices mean prosperity, as this administration seems to contend by its action, then I only have to remind you of the condition of our economy back in the days of the Hoover administration. Hogs sold for less than 6 cents a pound. Cotton was slightly more than 5 cents a pound. Tobacco was less than 9 cents a pound. Wheat brought the farmer as little as 39 cents a bushel, and corn sold for 32 cents a bushel.

If low farm prices mean general prosperity, then we should have been rolling in money in 1931 and 1932. But you know how near catastrophe we were in those dark days. Every segment of the economy was in a desperate condition, farmers included.

Farm prices have been going down ever since this administration took office. Unemployment is far above the norm for the level of our industrial production. One important reason for this is that the farmer today cannot buy the things he needs because he is not getting a living price for his products.

The high prices of shares on the New York Stock Exchange may mean new levels of prosperity for the millionaires who compose the Cabinet of President Eisenhower; but the low price of the basic commodities means hardship, destitution, despair, and foreclosure on millions of farms the length and breadth of this land.

Mr. Chairman, I implore the membership on both sides of this aisle to act now to redeem the promises of their parties, to strengthen the sinews of our Nation against the inroads of economic distress and devastation. With all the sincerity of which I am capable, I urge you here and now to vote for a mandatory price of 90 percent of parity for our basic farm commodities.

Mr. EVINS. Mr. Chairman, the pending bill, H. R. 12, is a measure that is deserving of more support than it is receiving.

I do not think there is a single Member on the floor here today but who should be aware of the vital role which we are being called upon to play with regard to the farmers' present and future welfare and wellbeing.

It is certainly a most serious matter and our task would be immeasurably easier if there were, among the farmers themselves, more unanimity of opinion as to the course we should take for the greatest benefit to them as well as to the overall economy of our Nation.

For that reason, the bipartisan approach to this measure, H. R. 12, which was demonstrated to a great degree by the Committee on Agriculture is most commendable. The welfare of the farmer is deserving of every cooperative effort that is possible and should be approached and considered in that light.

As we know, there are certain of our agriculture and farm organization leaders who feel that a sliding scale of price supports, which was enacted into law in the previous session of Congress, should be continued. There are, on the other hand, a great segment of the farming community—a great many individual farmers of the Nation—who do not see in this system the solution to the problems of declining prices and lowered farm income.

Farm prices are down, as we all recognize. Farm income has declined approximately \$1½ billion during the past year and this decline threatens to continue unless we do something to forestall it—to reverse the trend.

We may say that the agriculture economy of the Nation is in a recognized depression—the lower farm income is no myth but is a real and alarming reality.

The committee statistics and others show that since 1951 the average of farm prices has dropped 22 percent, while operating costs have remained high—near the record high. This drop, as we know, has occurred at a time when consumer prices have also remained high.

Other segments of our economy have prospered while the farmers of the Nation have been experiencing drought and depression. Their income is down—while they are required to pay high prices for farm machinery and the things they must buy.

Those are the facts—the question is how to stop this disturbing trend and restore agriculture prosperity before the drop increases further.

Certainly, I am most deeply concerned and want to take any action to bolster the weakening financial position of our farm economy—most particularly in the tobacco and dairy fields so closely tied in with the economy of the district which I represent—the Fourth District of Tennessee.

Therefore, I cannot see that any harm can be done—but only good—by raising the level of price supports from 82½ to 90 percent of parity on basic commodities. Certainly, no harm can come from continuing the present level for tobacco and by increasing the dairy products

support level from 75 to 80 percent, and the great probability is that conditions would be improved by a return to the higher support level.

The problem of surpluses, it seems to me, is not now as pressing nor as critical as heretofore. The Secretary of Agriculture has indicated that surpluses are moving—that we are sending abroad increasing quantities of our surplus commodities and otherwise disposing of the excess which some have indicated as responsible for the depressed farm outlook.

The problem of surpluses is further relieved in the light of drought conditions and in the crop destruction following in the wake of the recent disastrous freeze in Southern agricultural region. In effect, we may soon look upon the stored staple commodities as something of an advantage in the light of the drought and freeze conditions.

So it would seem, Mr. Chairman, that a return to the higher support level cannot be denied on the grounds of depressing surpluses—a return to higher supports seems to be the answer to the great problem of depressed prices and lowered farm income and I shall certainly support the effort being made here today to give to American agriculture increased support for our basic agriculture commodities.

Mr. Chairman, I also briefly wish to indicate my very great support and approval of the proposal for the allocation of certain commodities in ample supply to the school-lunch program. This program is recognized as one of the most beneficial programs conducted by the Federal Government in cooperation with the State authority—its results are twofold: it benefits the school child and also puts to good use commodities in storage or in surplus and thus avoids waste and loss.

I hope this feature of the bill also will receive approval along with the economy-bolstering features of higher price supports for American agriculture.

Mr. RHODES of Pennsylvania. Mr. Chairman, I shall vote against H. R. 12 because I feel that a return to rigid 90 percent of parity price supports is not the answer to the problems of our Nation's farmers. I do not contend that the present flexible supports will solve the tremendous problem of surplus agricultural commodities or provide the necessary stimulation to the purchasing power of the average farm family.

But the real answer to the farm problem goes beyond the scope of this debate on the level of price supports. High, intermediate, flexible, sliding, or any other type of price supports is not the ultimate solution.

We have seen that huge farm surpluses continue to mount regardless of the support level, and this comes at a time when unemployment and part-time work forces millions of American families to reduce their standards of living.

Meanwhile, farm income continues to decline. Farm families find that they can afford to buy less and less of the manufactured goods which are produced by the workers in industrial centers of this country. This results in the ac-



cumulation of bigger inventories of goods which farm people cannot buy and the eventual outcome is more unemployment in the cities. This vicious cycle works a hardship on both farmers and their city brothers.

The common denominator of both the unemployed worker and the farmer with inadequate income from his crops is the lack of real purchasing power which would enable both groups to buy the goods and services which all Americans need to maintain a decent standard of living.

There is no magic price-support formula which will guarantee farmers the prosperity which they seek just as no amount of unemployment compensation can provide a suitable substitute for steady work for the man in the factory.

The real answer lies in an affirmative program to restore full employment opportunities to the people of this Nation. We must enact measures to increase the purchasing power in the hands of the underprivileged segments of our population. Their increased demand for goods and services which they so badly need, will in turn, reduce our surpluses of manufactured goods and put more people back to work.

A dynamic, expanding, full-employment economy is the only complete answer to the needs of the farmer as well as to other hard-pressed people in our Nation. We live under a complex, interdependent economic system. We cannot increase the prosperity of one group as if it were in a vacuum, having no relationship to the rest of the economy. We must act for the best interests of all groups by providing measures to boost consumer buying power. Such measures would necessarily include an increase in expenditures for public works, tax relief for the average citizen, a school- and hospital-construction program, an adequate increase in the minimum wage, a broad public-housing and slum-clearance program, more adequate social-security benefits, and other similar programs.

Mr. Chairman, only by the adoption of this type of realistic program which goes to the roots of the situation, can we find the eventual solution to the farm problem and the unemployment problem as well.

Mr. REUSS. Mr. Chairman, I shall vote for H. R. 12, not because it provides a long-term solution to the problem of maintaining farm income, but because it can help prevent a further decline in farm income while the Congress goes on, as I hope it will, to enact a comprehensive farm bill. Such a bill would serve the broad purposes of encouraging consumption of food and fiber by lower prices, maintaining the income of the family-sized farmer who practices soil conservation, and avoiding the creation of unwieldy surpluses.

The elements of a sound farm program are suggested in the supplemental report of Senators DOUGLAS, SPARKMAN, and O'MAHONEY, and Representatives PATMAN, BOLLING, MILLS, and KELLEY, contained in the report of the Joint Committee on the Economic Report, filed

on March 10, 1955. It was there recommended to the appropriate legislative committee that effort be directed toward the drafting of farm legislation in the following direction:

The basic purpose of agricultural supports is the protection of farm income. It seems desirable to move in the direction of permitting farm prices to reflect the supply-demand situation in the market while at the same time moving to institute a system of farm-income protection which would protect the family-size farm and the small farms of our country by a system of income payments made whenever declining farm prices threaten an inequitable reduction in the standards of living of these farm families. The large, wealthy farms, or corporate farms, do not have the same pressing claim upon the Government's protection. Consideration might be given, therefore, to putting some ceiling on Government benefits per farm. This ceiling should be high enough to protect the standard of living earned by farm families by their own efforts, but not high enough to guarantee the total incomes of large farms able to stand market fluctuations (Rept. p. 34).

We cannot have an expanding economy of abundance for the 86½ percent of our population who live off the farm if the 13½ percent of our population who live on the farm exist at a depressed level. Industrial workers are well aware of the value of the farm market for the products of their hands. They know that workers and farmers are consumers of each other's goods, and that what harms one harms the other.

Before we abandon the partial protection of parity-price supports contained in H. R. 12, we should have ready for action a farm program, based on the recommendations of the above members of the Joint Committee on the Economic Report, that will truly assure an adequate income to the family farmers of this Nation.

Mr. DORN of South Carolina. Mr. Chairman, and gentlemen of the House, if America is to continue to grow and develop as a great Nation, we must do something to make it possible for our small farmer to remain on the land. The little farmer is more discouraged today than ever before in the history of our country. Successful farming is a skilled enterprise. Into such an operation a farmer puts capital, labor, natural resources, management and then is dependent upon weather. The farmer, as of today, has to pay more for fertilizer, labor, machinery, land, upkeep of property, than ever before in the history of our country. Yet he is getting less and less for the products he has to sell. He has been leaving the rural areas in recent years by the thousands and even millions. Where is he to go? In the large cities there is unemployment, lack of housing and juvenile delinquency. If we are to have a sound economy and a stable citizenship we must help our farmers to remain on the land. We have helped labor by doing away with child labor and by passing minimum wage laws. We have helped big business by Government contracts, interest rates and loans. We have helped small business by antitrust laws, RFC, and the Small Business Administration. We

have helped countries all over the world by foreign aid.

Everything the farmer buys has gone up while everything he sells is going down. If this trend continues some day America will be in a great national emergency and there will not be enough farmers on the land to raise food and fiber. Tragic consequences may result. We can construct a bomb plant in a matter of weeks. We can build ammunition arsenals in a short while, but it takes years to make farmers out of people who have never farmed before.

This bill providing for 90 percent of parity on the basic commodities today might well prevent disaster tomorrow. I am only asking the same consideration for our small farmers that we have already given to other segments of our economy.

Our farming population has always been the backbone and foundation of our strength as a Republic. Our farmers are not asking for a handout or asking for something for nothing. They are only asking for an opportunity to survive. How can our small farmers sell in an open market when everything else is Government manipulated. Let's stand up today and give our farmers the same break we give others. He is only asking for an opportunity to work, sweat, and enjoy a fair return for his labors. The farmer is already in the midst of a severe depression. He does not want to flood the overcrowded cities of our country today. He only wants to remain on the farm and play his proper role in the advancement of America. He will succeed by his own efforts if we only give him an equal chance with capital, labor and our foreign friends. We can help do that today by passing this bill.

Mr. COOLEY. Mr. Chairman, I call attention to the fact that no amendments are pending.

Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point.

Mr. ROGERS of Texas. Reserving the right to object, Mr. Chairman, I have an amendment I intend to present.

Mr. COOLEY. I am not interfering with the gentleman's proposed amendment.

I would like further, Mr. Chairman, at this time, to offer a committee amendment. I may say that the House Committee on Agriculture authorized and directed me by an almost unanimous vote to offer this amendment at this time. This has to do with section 2, dealing with the two-price system on wheat. I may say that the gentleman from Kansas [Mr. HOPE], who is the author of section 2, offered the motion in the committee to remove this section, and I suggest the Chair recognize the gentleman from Kansas to explain the amendment.

The CHAIRMAN. Permit the Chair to state to the gentleman from North Carolina that the committee amendment to the bill has not yet been reported. As the Chair understands, the gentleman's amendment is to the committee amendment.



Mr. COOLEY. That is right. It is a motion to strike out part of the committee amendment.

The CHAIRMAN. The Clerk will at this time report the committee amendment in the bill.

The Clerk read as follows:

SEC. 2. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by changing the designation thereof to read as follows: "Title III—Loans, Parity Payments, Consumer Safeguards, Marketing Quotas, and Marketing Certificates"; (2) by changing the designation of subtitle D thereof to read as follows: "Subtitle E—Miscellaneous Provisions and Appropriations"; and (3) by inserting after subtitle C a new subtitle D, as follows:

"SUBTITLE D—WHEAT MARKETING CERTIFICATES

*"Legislative findings*

"SEC. 380a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens, interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided under the marketing certificate plan set forth in this subtitle.

*"Domestic food quota*

"SEC. 380b. Not later than July 1 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States during such marketing year.

*"Apportionment of domestic food quota*

"SEC. 380c. (a) The domestic food quota for wheat, less a reserve of not to exceed 1 percent thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the total production of wheat in each State during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period. The reserve quota set aside herein for apportionment by the Secretary shall be used to establish quotas for counties, in addition to the county quotas established under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed.

"(b) The State domestic food quota for wheat, less a reserve of not to exceed 3 percent thereof for apportionment as provided in subsection (c), shall be apportioned by the Secretary among the counties in the State on the basis of the total production of wheat in each county during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period.

"(c) The county domestic food quota for wheat shall be apportioned by the Secretary, through the local committees, among the farms within the county on which wheat has been seeded for the production of wheat during any one or more of the 3 calendar years immediately preceding the calendar year in which the marketing year for which the quota is proclaimed begins, on the basis of the normal yield of the acreage planted to wheat during such 3-year period. The reserve provided under subsection (b) shall be used to adjust farm quotas which the county committee determines to be inequitable on the basis of tillable acres, crop-rotation practices, type of soil, and topography.

*"Marketing certificates*

"SEC. 380d. (a) The Secretary shall prepare for issuance in each county marketing certificates aggregating the amount of the county domestic food quota. Such certificates shall be issued to cooperators in an amount equal to the domestic food quota established for the farm pursuant to the applicable provisions of section 380c of this act. The marketing certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of marketing certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell marketing certificates in such quantities as may be required to persons processing wheat into food products. Marketing certificates shall be transferable only in accordance with regulations issued by the Secretary.

"(b) Whenever a domestic food quota is proclaimed for any marketing year pursuant to section 380b of this act, the Secretary shall determine and proclaim for such marketing year (1) the estimated parity price and the estimated farm price for wheat, and (2) the value of the marketing certificate. The value of the marketing certificate shall be equal to the amount by which the estimated parity price exceeds the estimated farm price as determined herein. The value of the marketing certificate shall be computed to the nearest cent. The proclamation required by this subsection shall be made during the month of June immediately preceding the marketing year for which such domestic food quota is proclaimed.

"(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell marketing certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

*"Marketing restrictions*

"SEC. 380e. (a) Except as provided in subsection (d) hereof, all persons engaged in the processing of wheat into food products composed wholly or partly of wheat are here-

by prohibited from marketing any such product for domestic food consumption or export containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380 of this act have been acquired by such person.

"(b) Except as provided in subsection (d) hereof, all persons are hereby prohibited from importing or bringing into the continental United States any food products containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this act have been acquired by such person.

"(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which marketing certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however,* That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of and payment for such marketing certificates as may be required, any person required to have a marketing certificate in order to market or import a food product composed wholly or partly of wheat may market or import any such commodity without having first acquired a marketing certificate.

"(e) as used in section 380e of this title the term 'marketing' means the sale and the delivery of the food product composed wholly or partly of wheat.

*"Conversion factors*

"SEC. 380f. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

*"Civil penalties*

"SEC. 380g. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of subsection (a) or (b) of section 380e of this act shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

*"Adjustments in domestic food quotas*

"SEC. 380h. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any domestic food quota for wheat is increased under this section, each farm quota for wheat shall be increased in the same ratio and marketing certificates shall be issued therefor in accordance with section 380d of this act. In case any domestic food quota for wheat is suspended under this section, the Secretary may redetermine



the value of marketing certificates issued pursuant to section 380d of this act.

*"Reports and records"*

"Sec. 380i. (a) The provisions of section 373 of this act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

"(b) The provisions of section 373 (b) of the act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

*"Referendum"*

"Sec. 380j. In the referendum held pursuant to section 336 of this act on the national marketing quota proclaimed for the 1956 crop of wheat, the Secretary shall also submit the question whether farmers favor a marketing certificate program under this subtitle in lieu of marketing quotas under subtitle B. If more than one-half of the farmers voting in the referendum favor such marketing certificate program, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, suspend the operation of such quota and a marketing certificate program shall be in effect for the 1956 and subsequent wheat crops under the provisions of this subtitle and marketing quotas and acreage allotments shall not be in effect for wheat under subtitle B.

*"Price support"*

"Sec. 380k. Notwithstanding any other provision of law—

"(a) Whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

"(b) The Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price-support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) The supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in wheat including exchange rates and currency regulations.

"(c) Compliance by the producer with acreage allotments, production goals, and marketing practices (excluding marketing quotas) may be prescribed and required by the Secretary as a condition of eligibility for price support and for the receipt of wheat marketing certificates."

SEC. 3. The first sentence of subsection (c) of section 201 of the Agricultural Act of 1949, as amended, is amended to read as follows: "The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at not less than 80 percent nor more than 90 percent of the parity price therefor."

SEC. 4. The last sentence of section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows: "For the period September 1, 1954, to June 30, 1955, not to exceed \$50 million, and for the period July 1, 1955, to June 30, 1957, not to exceed \$75 million annually, of the funds of the Commodity Credit Corporation shall be used exclusively to increase the consump-

tion of fluid milk by children in nonprofit schools of high-school grade and under."

SEC. 5. Section 204 (e) of the Agricultural Act of 1954, is amended to read as follows:

"As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle the Secretary of Agriculture is authorized to transfer not to exceed \$15 million for each of the 2 fiscal years ending in 1957 and 1958, from funds available to the Commodity Credit Corporation, to the funds appropriated to the Department of Agriculture for such fiscal years for the purpose of accelerating the brucellosis eradication program, for the purpose of increasing to not to exceed \$50 per head of cattle the amount of the indemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith. There are hereby authorized to be appropriated annually such sums as may be necessary to reimburse the Commodity Credit Corporation for expenditures pursuant to this section."

Mr. COOLEY (interrupting the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as having been read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Does the gentleman now desire to offer his amendment?

Mr. COOLEY. Mr. Chairman, I offer an amendment to strike out all of section 2.

The Clerk read as follows:

Amendment offered by Mr. COOLEY to the committee amendment: On page 1, line 9, strike out all of section 2, beginning on page 1, line 9 and extending through line 5 on page 12; and renumber the sections.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes in support of his amendment.

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I simply want to say that section 2 as contained in the bill was an amendment offered by myself in the committee and accepted by the committee. It provides for the so-called certificate plan of price supports for wheat.

After the amendment was adopted in the committee, some of those who are supporting the proposal felt it would be better if this provision were contained in a separate bill. In view of that fact, at a subsequent meeting of the committee I offered a motion providing that the chairman of the committee be authorized to offer an amendment when the bill came up for consideration to strike from the committee amendment section 2. That is the purpose of the amendment that has been offered by the gentleman from North Carolina, who is carrying out the instructions of the committee. The motion was adopted by an overwhelming vote in the committee.

I would not want the action of the committee or the action of the House to be considered as passing upon the merits

of this provision. It is simply a question of when the matter should be brought up for consideration in the House.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ALLEN of Illinois. May I inquire whether this has anything to do with the action taken yesterday when the so-called peanut amendment was adopted?

Mr. COOLEY. No. When we appeared before the Committee on Rules and asked for a rule on this bill that motion was offered by the gentleman from Kansas [Mr. HOPE], and in the committee I was directed to offer this amendment to remove section 2 from the bill, it being clearly understood that none of us wanted to do anything that would prejudice the idea of a two-price system, which we will consider at some more appropriate time and bring back to the House.

Mr. ALLEN of Illinois. It has nothing to do with the amendment adopted yesterday with regard to peanuts?

Mr. COOLEY. No. That action was taken even before we knew the peanut amendment would be offered.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEATING. Does this proposed action relate solely to wheat?

Mr. COOLEY. That is right.

Does the gentleman from Kansas [Mr. HOPE] desire to say anything further?

Mr. HOPE. No; I have nothing further to say at this time except, Mr. Chairman, I ask unanimous consent to extend my remarks just made.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

(By unanimous consent, Mr. KEATING asked and was given permission to proceed for 2 additional minutes.)

Mr. KEATING. Mr. Chairman, high rigid supports are bad for the farmer, for the consumer, and for the taxpayer. There may be individual exceptions to that broad generalization, as in the case of certain of the large wheat or cotton or tobacco farmers. But by and large a flexible price support system is better for all segments of our economy.

In the first place, we should remember that 140 million Americans do not live on farms. Their principal stake in agriculture is as consumers of food and fiber. This vast majority certainly does not wish to exploit or oppress our farmers, and there has never been any considerable opposition to a fair farm price-support program. But these other taxpayers and consumers certainly have a legitimate interest in the cost of our farm program, and in the problem of keeping it reasonably in balance. They want to see this program employed to move the produce of our farms into channels of trade, not into Government storage.

The consumer, and that includes the farmer and the city dweller alike, is waking up and beginning to realize what the past system of rigid high supports has been doing to him. Every man, woman, and child in this country owns right at this moment over 6 bushels of



wheat and 4 bushels of corn, along with a sizeable supply of cotton, wool, dairy products, feed grains, oil seeds, turpentine, rosin, rice, and I do not know what else. His total investment in these consumable food and fiber and forest products is something over \$50, or about \$200 for every family of 4. Everyday, for upkeep, he contributes a proportionate share of the daily storage costs of approximately a million dollars just to take care of all these things that he does not need and cannot use, though he has paid perfectly good money out for them. This situation is still going to get worse before it gets better. The taxpayers are becoming more and more alert to this situation and are looking to us to put a stop to the practices that have built up these huge mountains of commodities in Government warehouses.

The greatest surpluses, and the items which have been in the most difficulty pricewise, are exactly those to which the 90-percent formula, on stilts supplied by the Government, still applies. It should be obvious that this is precisely the heart of the problem, and that nothing but the flexible adjustment of parity prices on these varied commodities will give us any relief.

Repeatedly in this debate the decline in farm income has been referred to as if the passage of this legislation might do something to cure that situation. Of course, the fact is that this decline has taken place under the very price support system that this bill seeks to reimpose on us. It is like saying the best way to get over a drunk is to imbibe more of the same.

It is especially significant that the American Farm Bureau Federation and other responsible groups among the farmers themselves have come out strongly in favor of the flexible parity plan. In my own State the New York State Farm Bureau Federation lined itself squarely behind the President on this issue from the outset. Those whose livelihoods depend on agriculture, excepting the privileged few who have been getting direct windfalls from the rigid subsidy program are not sold on being pushed willynilly into this great boondoggle.

For one thing, as the situation grows worse and the surpluses mount higher and higher, the entire price structure for the commodities which are being stored is increasingly undermined. At very least, the politicians who have never been able to see anything but a vote potential in this situation ought to cast an occasional eye at the long-run economic consequences of what they are doing, and specifically at the long-run prospects on the farm market. How can anyone have confidence in the price of wheat, for example, when the United States has enough wheat to feed the Nation for a year held up like a sword of Damocles to blast prices downward out of sight if and when it is released? How can we expect any stability in the foreign market when there is an even more imminent prospect of some or all of our surpluses being dumped at low prices there? Responsible farmers have been continuously pointing out that this

great menace to the free market is something that rigid subsidies will not only fail to cure, but will inevitably make worse.

Moreover, there is at present a great inequity as among the crops which are still subject to the inflexible 90 percent support and those which have already been changed over to the flexible basis. It is very creditable to most of the farming community that the pressures of those who are now subject to the flexible plan to go backward to the rigid plan are minimal, whereas most of the racket comes from the producers who are still clinging to the 90 percent.

Mr. Chairman, I was by no means entirely happy with the Agriculture Act which we passed last year. You will recall that we made many compromises with what seemed then to be the urgent need for parity adjustments. It was half a loaf. But that act has not yet had time to take effect. Even the benefit expected to flow from it will not be fully realized until this year's crops are in. Therefore, under no circumstances ought we to scrap what it was designed to accomplish before it has any sort of trial.

We have fiddled and fooled with this thing while the surpluses continue to pile up on us and the American taxpayer is obliged to take on an ever-heavier burden. It would be folly for us to retreat now to a program that has already proved it is costly and unsuccessful. That would be economic nonsense. I urge full support for the program as proposed by President Eisenhower and Secretary Benson to meet this problem.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, when the beloved Chaplain of the House opened the session of the House yesterday he included the phrase, "We humbly confess our sins, our faults, and our failures." It seemed to me in the process of the past 2 days that most of the debate on this bill has consisted of a discussion of the sins and faults and the failures of two opposing ideas on the farm program—a rigid system or a flexible system. On one side there seems to be a feeling that the rigid system has been responsible for most of our faults and our failures and our sins, if you want to call them that, and on the other side there has been the feeling that the flexible system, where it has been introduced—and let no one forget that it has often been introduced and used in recent years—has accounted for most of our big losses that the Government has registered in past years.

Everyone can agree at this point that it has been demonstrated by both sides that no farm program is perfect, and no one is contending that either program is perfect; but if one basic, fundamental truth has emerged from this debate, it is the truth on which everyone has agreed; a truth declared in the press by the President of the United States, declared by the Committee on Agriculture and many others, it is this: That the farmer, and especially the small

farmer of America, is in trouble. He is in economic distress. Something has to be done to help him out.

Now, Mr. Chairman, if there is anything that can be said about H. R. 12 with certainty, it is this, that the effect of H. R. 12 will be to put more money in the pockets of the small farmers of the country at this time when they are in economic distress. When I am in economic distress, the one thing that helps me more than anything else is some cash in my pocket. That is what H. R. 12 will do if enacted.

The peanut growers are just as much in need of that assistance today, brought about not only by the failure of the Secretary of Agriculture to do something that he should have done, or something he should not have done, but by the drought that has stricken this Nation. We need something that will put some cash in the pockets of our farmers, and H. R. 12 will do it. It will increase the farm income. I see no way of escaping the truth of that fact.

The charges against H. R. 12 and against the rigid support system are that they are responsible for our large farm surplus, which is costing considerable money in warehouse storage. Is the price support program any more responsible than the fact that our exports have declined 30 percent? Is it any more responsible for surpluses than the fact that we had 3 million unemployed who are unable to buy the farmer's products today?

Then on this question of the great cost to the taxpayer, there has been a lot of talk about the terrific cost of the farm program, but I have yet to hear anyone deny the fact, the statistics here that the net cost of basic commodities over 21 years has amounted to a little over \$21 million.

Contrast that with our big subsidy to the maritime industry, you gentleman from New York and Pennsylvania; contrast that with the big subsidies going to transportation, and contrast that with subsidies to other parts of our industry in this Nation. Your basic commodity farmer is not a heavily subsidized man.

Then we come to the final question of the high cost of food to the consumer. Last year the gentleman from Oklahoma [Mr. STEED], and I went into a grocery store and spent \$5.31 on 12 products representing six basic commodities. We took them over to the Committee on Agriculture and asked them how much of the cost represented money paid to the farmer who produced these basic commodities. Out of \$5.31 for the basic commodities that were furnished, the farmer received 79 cents.

Do not you Members who are from the cities be deceived by the thought that any cut in the basic commodity price support is going to be reflected in a great deal of help to your consumers, because the consumer today is paying the bulk of his cost to merchandising, advertising, retailing, wholesaling and processing and not to the producer of the basic commodity.

H. R. 12 is the answer to the economically distressed farmer today, and I hope all Members who believe in fairness toward the producers of our Na-



tion's wealth will see to it that the farmer receives his fair share by passing H. R. 12, with restored protection for the peanut growers, when it comes to final vote today.

The CHAIRMAN. For what purpose does the gentleman from Wisconsin rise?

Mr. LAIRD. To offer an amendment, Mr. Chairman.

The CHAIRMAN. There is an amendment pending, the Chair will state to the gentleman.

Mr. COOLEY. Mr. Chairman, I ask for a vote on the pending amendment so we will have that behind us.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. I thought the Chair had recognized the gentleman from Wisconsin.

The CHAIRMAN. The Chair had recognized the gentleman from Wisconsin, but the gentleman from Wisconsin desired to offer an amendment. There is an amendment pending at this time, so the gentleman from Wisconsin did not wish to take his time.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Does the Chair recognize Members in the order of the length of time they have been on the floor seeking recognition?

The CHAIRMAN. The Chair has endeavored to practice the rules of the House in recognizing Members as equitably as possible.

Mr. HOFFMAN of Michigan. I recognize the great fairness of the Chair and I just want to assist the Chair by advising him that I have been here since the first opening of the debate.

Mr. GAVIN. And I might call the attention of the Chair to the fact that members of the committee seem to be monopolizing most of the conversation, yet there are a few of us who would like to have a few minutes to be heard.

The CHAIRMAN. The Chair had recognized the gentleman from Iowa as being on his feet and feels he must support the recognition.

The gentleman from Iowa is recognized.

Mr. COOLEY. Mr. Chairman, will the gentleman from Iowa yield that I may get a vote on the committee amendment?

Mr. GROSS. I yield if it is not taken out of my time.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the vote on the amendment not be taken out of the gentleman's time.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

Mr. COOLEY. May we have the amendment read?

The CHAIRMAN. Without objection the Clerk will again read the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 1, line 9, strike out all of section 2 be-

ginning on page 1, line 9, through page 12, line 5.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized for 5 minutes.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, we have heard some amusing statements during the debate of the last 2 days. The gentleman from New York [Mr. KEATING] a few moments ago and others have described 90 percent of parity as being rigid. Ninety percent of parity is 10 percent flexible in my book, and I think it is in every book.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I gladly yield to the distinguished gentleman from Kansas.

Mr. HOPE. Is it not a fact that parity itself is flexible to start with?

Mr. GROSS. That is certainly right and 90 percent makes it even more flexible. I wonder if the gentleman from New York, who comes from the highly honorable legal profession, believes that he could get along charging 10 percent less than the cost of providing his legal services.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I do not yield, Mr. Chairman. The gentleman did not yield to me when he had the floor.

Mr. KEATING. The gentleman mentioned my name.

Mr. GROSS. Mr. Chairman, let us be fair about this business. If it costs a lawyer 100 percent for his services he cannot stay in business forever at 10 percent less than the cost of providing those services.

We have heard a good deal about farm surpluses. The gentleman from Nebraska [Mr. HARRISON], who is opposed to 90 percent of parity, spoke of the deathly fear of Canada, that we would dump our wheat on that country. What has Canada been doing to us? Canada in the last 2 years only dumped 58,842,000 bushels of barley on us; it dumped 142,539,000 bushels of oats on us; it dumped 36,198,000 bushels of wheat on us; it dumped 526,000 tons of bran shorts on us; it dumped 19,032,000 bushels of rye on us and 5,570 tons of soybean oil cake meal. All this piled on our small grain and feed grain surpluses.

It seems to me that the Canadians have done a pretty fair job of dumping on us just as Communist Poland and other European nations have been dumping their ham, bacon, and other meat and dairy products into this country to be charged against American farm surpluses.

I suggest to the gentleman from Nebraska [Mr. HARRISON] that he give attention to these imports. Incidentally, as I remember it, Canada does not draft young men for her military establishment. We are drafting plenty of farm boys.

The gentleman from Utah [Mr. Dixon] infers that the law of supply and

demand will cure the farm situation. I wonder if the gentleman from Utah was around back in 1929, 1930, 1931, and 1932 to witness the operation of supply and demand. I wonder if he knows how the law of supply and demand worked then. Our farmers had surpluses of all kinds, and consumers desperately needed the food and fibers of the farms. What was wrong with his law of supply and demand at that time? I am sorry he is not on the floor to tell me why he suggests that the farmer be thrown on the rack of the old deal of buying at the seller's price and selling at the buyer's price. He knows that the law of supply and demand will not work unless the medium of exchange is well distributed and so-called flexible parity means less income and fewer dollars for farmers.

I will be glad to have the gentleman explain what he means by advocating supply and demand in connection with a farm bill that seeks to establish fair prices for farmers.

Mr. DIXON. If the gentleman will permit me to make my own statement, let me say that I did not say get back to the law of supply and demand, or I did not intend to at any rate. I argued flexible price supports the whole way.

Mr. GROSS. I will be glad to get a copy of the RECORD and point out to him the reference he made to this subject. The gentleman does not believe that the farmer can be turned back to a supply and demand price basis with the economy rigged all around him?

Mr. DIXON. And I would not go so far as to repeal the law of supply and demand the way H. R. 12 does.

Mr. GROSS. Of course, the gentleman knows that is a juvenile statement.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: On page 1, line 9, add the following new section:

"Section 201 (c) of the Agricultural Act of 1949 is amended by changing the period at the end of the first sentence thereof to a colon and adding: 'Provided, That through the marketing year ending March 31, 1958, the level of such support shall be not less than the maximum level of support for basic commodities provided in section 101 (d) (6) hereof.'"

Mr. LAIRD. Mr. Chairman, I rise in support of my amendment which insures equality in the treatment of the dairy farmer of Wisconsin and in fact equality for all dairy farmers throughout this great Nation. Dairy products are more important to the health and welfare of our Nation than are any other agricultural commodities. It would seem to me that they should be considered basic not only to the health of our country but basic when considering our agricultural economy.

Yesterday on the floor of this House I supported the House Committee on Agriculture in the designation of the basic commodities in the Agriculture bill. My vote yesterday was in support of the position of the Committee on Agriculture, in which I have enjoyed very much my association with members on both sides of the political aisle. Today I am in a



position where I plead with you to give equal recognition to dairy products in the support section of this bill. If this amendment of mine insuring equality for dairy products is rejected, I of course will be in a position where I cannot defend to my Wisconsin dairy farmers the designation of peanuts as a basic agricultural commodity and of course would so record myself today.

In my last political campaign individuals with the support and approval of the Democratic National Congressional Committee pledged in Wisconsin and in fact outsiders even came into my congressional district and made the fantastic pledge that with a Democratic Congress, milk and dairy products would be supported at 90 percent of parity. In these same political speeches, these individuals representing the opposition party stated that dairy products were supported at 75 percent of parity because of the action of Secretary of Agriculture Benson and the Republican Party. Not in a single one of the speeches, and I have the press clippings here before me, was it ever suggested that if dairy farmers were to receive 90-percent supports they would also have to receive production controls and curtail the production of their milk cows. This of course is a new gimmick that has been inserted into this discussion by some individuals since the political campaign. In public debate I stated that the responsibility for dairy supports could not be solely placed on the shoulders of the Secretary of Agriculture, but must be borne by the Congress of the United States. I explained production controls but the opposition threw back at me the challenge that "it was not a matter of production controls, it was a matter of underconsumption of dairy products and that 90-percent supports would be a reality in a Democratic Congress." Here are the press clippings. Look at them and see what these political candidates in Wisconsin promised. These are the statements made by the candidate for Governor, candidates for Congress, and other candidates running on the opposition's ticket in our State.

Gentlemen, I want to give all of you the opportunity today to insure to dairy products and milk equality of treatment under the support sections of this bill. I have definitely made up my mind that I will not support this legislation unless we are able to receive fair and more equitable treatment for the dairy farmer and for milk.

In my congressional district, which is the Seventh Congressional District of Wisconsin, more milk and cheese is produced than in any other congressional district in the United States Congress. The vast majority of the milk which is produced in my district is used for manufactured dairy products. In the Seventh Congressional District less than three-fourths of 1 percent of the agricultural income to our farmers comes from basic commodities. In the State of Wisconsin less than 1 percent of the total cash agricultural income is from these so-called basic commodities. This amendment which I have placed before you today seeks to give milk and dairy products the same type of support treatment

that is enjoyed by the so-called basic commodities.

The record is very clear. These candidates campaigned in Wisconsin with the pledge that they would singlehandedly see that dairy products were supported at 90 percent of parity, and did not even suggest any type of controls.

On page 31 of the committee report I have stated as concisely as I possibly could my position in regard to H. R. 12. I have come to the same conclusion reached by 10 other members of the House Agriculture Committee; that is, that H. R. 12 should be defeated in its present form. H. R. 12, as reported from the Committee on Agriculture, is highly discriminatory to that section of agriculture which has sustained the largest income drop since World War II. I refer, of course, to the dairy farmer.

Individual members of the majority have talked about the necessity of returning to 90 percent rigid supports for agricultural products. In reporting out this bill in its present form one must conclude that the majority are concerned only with 90 percent supports for cotton, wheat, corn, rice, peanuts, and tobacco, but not for dairy products.

The support sections of this bill as reported by the committee serve no other purpose than to further increase the production costs of the dairy farmer. This new legislation would not have any effect upon the price of manufactured milk or cheese for the coming year, as the Secretary of Agriculture has announced that manufactured milk will be supported at 80 percent of parity for the marketing year which began April 1, 1955.

Dairy products are supported under a support section which was written into the basic Agricultural Act in 1948. Dairy products have always been supported on a flexible parity system.

Democrat candidates for office in the State of Wisconsin have tried to mislead the dairy farmer in our State into thinking that their party stands for 90 percent supports for dairy products. One has but to look at the record here in Congress to learn that the Democrat Party has never supported 90 percent supports for milk or dairy products. The present support section under which dairy products are now supported was the support section adopted and originally placed on the statute books by the Democrats. The Congress must take the responsibility for determining what level of support dairy products will enjoy in the future. That responsibility rests only with the Secretary of Agriculture in accordance with the laws passed by the Congress. I realize that the Democrats are in control in this Congress and it will indeed be interesting to see what action is taken on this amendment to insure equality of treatment in this legislation for the dairy farmer.

Mr. Chairman, I can assure the chairman of the House Agriculture Committee that more Members of the House of Representatives will vote for H. R. 12 if this Congress goes along with fair and equal treatment for the dairy farmer than by going along with Walter Reuther and

the CIO who support this bill in its present form.

I plead with the Members on both sides of the aisle to give careful and thorough consideration to my amendment. This amendment is fair and equitable. This amendment places the dairy issue squarely before this 84th Congress. The responsibility for dairy supports is the responsibility of this Congress. Let us assume that responsibility and act fairly and favorably on this amendment.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. POAGE. I yield.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Texas be given permission to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. POAGE. Mr. Chairman, I appreciate the action of my friend from Michigan. I hope the membership of this committee will recognize that this amendment is, as the author has very frankly stated, a matter of bringing more politics into a measure into which we have already had more politics than we should. I speak to you not simply as a representative of a great agriculture district, but I also speak to you as a man who has a good deal of what little goods he has invested in the dairy business. I am supporting a dairy. I know something of the problems of the dairyman. I know something of the losses of a dairyman.

But I recognize in all fairness that I have not cut my milk production. I am trying to increase my production every way in the world I can. I am not doing, in the dairy business, what the cotton farmers are doing; I am not doing what the wheat farmers are doing. And neither are the dairy farmers of Wisconsin or anywhere else. We dairy-men are not taking any production cuts. We are not limiting our production to bring it in line with demand. We are not suffering one iota of loss in our income as a result of any control. Our losses are the result of a drought, high costs, and low prices.

On the other hand, wheat acreage has dropped from 88 million acres to 55 million acres. Cotton acreage has dropped from a high of 49 million acres down to a present acreage of 18 million acres. Those producers of basic commodities have been taking tremendous cuts in their productive ability. And what is the reason they have taken them? Because they have been assured by our Government that if they did take cuts in production, the Government would see to it that they got at least nine-tenths of a fair price for their products; not because somebody said we will flex you up and down.

Members of this Congress just voted themselves an increase in salary, and I voted for that too. That was not long



ago. We did not make our salaries flexible. We did not say it would be high today and down tomorrow. We did not say that we would accept a flexible salary. We said we were entitled to that much and we were going to have it and we wrote into the law that each of us should receive a fixed amount every month.

But the gentleman does not want to do that for the farmer. He wants to flex him up and down—mostly down. And then after he has paid the price for support in production controls, it is now suggested that we should open the back door and let these fellows who did not pay anything come in. I am speaking to you as a man who has got his money invested in a bunch of dairy cattle, but I have not taken any cut in my production.

If the gentleman from Wisconsin [Mr. LAIRD] desires to apply the same rules to the dairy industry that have been applied to cotton and wheat, I would gladly go along with him. I so stated and many other members of the committee so stated to him in the committee. We have repeatedly offered the gentleman from Wisconsin the opportunity to have 90 percent for dairy products if he wanted to take the same kind of controls that the basic commodities have taken. He did not want to control the production of dairy products, but now he wants all the benefits that the producers of basics buy at the cost of controls.

I can well understand why the gentleman is reluctant to accept controls because in all frankness, we dairy people are getting a better deal today with unlimited production and 75 percent supports than are the cotton or wheat or peanut growers even at 90 percent, and of course, unless this bill passes everybody is going to be down to 75 percent supports and the basics are still going to have controls. Of course, if this bill passes the dairyman is going to get 80 percent supports with no controls instead of the 75 percent which is his present floor. This bill gives dairy people more than they have ever had before.

I am surprised that the gentleman from Wisconsin is not supporting this bill with its attainable benefits for dairy farmers, rather than offering something which I am sure he realizes cannot be adopted. I would much rather get part of something than all of nothing. This bill will give the dairyman a large part of something. I fear the gentleman's amendment could only secure all of nothing.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. LAIRD. I would like to say to the gentleman that as far as an offer that was made in committee to accept production controls, I have not seen a satisfactory form of production controls that has been worked out yet that could be submitted to the dairy farmers; and I do not recall one being submitted in the committee.

Mr. POAGE. The gentleman from Wisconsin has not offered us one, that is perfectly true. Whenever he offers us one, we are ready to listen to him.

Mr. LAIRD. Mr. Chairman, will the gentleman yield? He has brought something in here I would like to clarify.

Mr. POAGE. Certainly. I will yield to the gentleman.

Mr. LAIRD. I introduced the bill last year which does provide a self-help program. I could go into that in some detail. The legislation I introduced provides for a base-excess method of calculating payments to dairy farmers.

Mr. POAGE. Yes, the gentleman has introduced legislation. I hope I did not say that the gentleman had not introduced any legislation, but I said the gentleman had not come before the committee with any clear-cut written program for production control such as we have on the basic commodities. When he does, I assure him that every member of that committee I know of stands ready to give him the most sympathetic hearing we know how, because I think it is sound. I am perfectly will to go along with that.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. JOHNSON of Wisconsin. I would like to state that I have introduced H. R. 4360, which provides for subsidy payments and 90 percent of parity, and I cannot say that as of this date the gentleman from Wisconsin [Mr. LAIRD]—Seventh District—has been supporting me any on this bill, in fact, I believe he is opposed to it.

Mr. POAGE. I for one have repeatedly offered by support to the gentleman from Wisconsin [Mr. JOHNSON] because I believe dairy people are entitled to every consideration or treatment that is accorded any other producer and on the same terms. I believe that the second gentleman from Wisconsin recognizes that the producers of the basics pay a high price in crop controls for the 90 percent supports they get. I feel the pending amendment overlooks that fact. I must, therefore, oppose the amendment in its present form.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it does not take long to forget the lessons taught by the last great depression. We were headed into the depression by the Republican administration, and Members who have served here since 1933 and 1935 well remember the situation that confronted the Nation.

Wheat was selling for 26 cents per bushel and cattle less than 2 cents, and hogs were slaughtered by the millions while unfit for pork products. Farm foreclosures were rampant and banks and small business all over the country were closing shop. In a short time, when the farmer's buying power ceased to exist, the products of mills could not be sold, factories closed, and men were forced out of employment. At one time while I was a Member of Congress 15 million people were walking the streets for something to eat. Soup lines formed in all the great cities, and I can well remember that women with children made the rounds of congressional offices for something to eat. This condition prevailed all over the country, and the

question presented to Congress was, "What could Congress do to right this situation?" Many theories were advanced but it was finally determined that since this unprecedented depression started in the Farm Belt, that the remedy would have to be applied where the depressions started.

It was decided, therefore, that agriculture must be put back on its feet or business would never revive. Hence support prices were offered. Here let me say that these supports were not advanced for the farmers themselves, but to revive their buying power in order for business to survive. The plan worked like magic, and soon manufacturing plants were reopened and the idle millions went to work again. Taxes were paid, interest and payments on mortgages were paid, banks, insurance companies received payments on loans overdue, and the whole country revived.

For several years this support price has been at 90 percent, which means that the farmers were discounted 10 percent on everything they sold, but no discount on what they purchased. This program in itself (at 90 percent of parity) would break the farmers finally, as no business can stand a 10-percent discount year after year and survive. Now with this sliding scale about to be approved—and the 90 percent of parity defeated—there is one thing of which I am certain. That there will be distress in the Farm Belt, and many farmers will go out of business. The farm income has gone down since 1952 by over a billion dollars. That is not all.

In order to keep down surplus, a drastic farm acreage program has been introduced and will eventually destroy the family-type farms of the country. Right now in Williams County, where I live, farmers with 320 acres of tillable land have, in some instances, been reduced to 48 acres. Since wheat is the principal source of income, there is no farmer in America smart enough to support a family of 5 on 48 acres of wheat.

The result will be that these farmers will sell out to the larger outfits, and move to the towns and cities and join the ranks of labor. Organized labor will increase, and many are alarmed now that organized labor will control the elections. In the last election we saw Michigan and Minnesota controlled by the labor vote, and if this present farm program is insisted upon, many more States will be in the same position.

The irony of the whole thing is that those who do not want labor to control the entire Government are doing the most to bring that situation about.

You well remember how the Republicans fought the McNary-Haugen farm bill just preceding the Roosevelt sweep in elections. The Republican Party is doing the same thing today, and if the situation develops which I predict, the Republican administration will be the cause of it. While there are some Democrats from the eastern seaboard States that will vote against 90 percent of parity, the great majority of the Republicans will support the President in his demand for the "sliding scale" program instead of the parity program. The Re-



publican Party will have to repudiate its pledge to the farmers of the country, the President will have to repudiate his pledge made in his campaign for the presidency.

The whole argument against parity is that we have 2 years' surplus of wheat and surpluses in butter and other farm products, and it costs too much to store these products. This Government has been ingenious enough during administrations of both parties to spend \$800 billion on our excursions around the world getting tangled up in agreements and alliances which ignored the warnings of our great men of the past. Do you not think this program of giving away could have included farm products, and if that had been done there would be no surplus today. Can we not give away wheat and butter just as easily as we can give away dollars?

In North Dakota we suffer the most on this wheat program. First-class flour cannot be manufactured without mixing wheat with the hard spring wheat of the Dakotas and Montana, and we have seen the time in recent years when we had to let in this kind of wheat from Canada to fill the demand of millers, right today, according to the advocates against parity, there are only 180 million bushels of hard spring wheat in storage, and I very much doubt these figures. The other wheat we raise is durum, and I think there is a shortage instead of a surplus of that.

Why say to the farmers of North Dakota that you must raise this scarce variety of wheat at a loss of their farms?

Also, remember that a year's supply of all wheat is not too much to have on hand in this country during this hysteria of a cold war. It is the best national defense we could possibly supply. The history of all wars shows clearly that food is more powerful than armies and warships, seagoing or in the air. Germany, in the First and in the Second World War surrendered because the people were starved out. What good is a fire-arm in the hands of a man who is starving?

Many Republicans have said to me, "Why don't you leave the Republican Party if you don't like the way we operate?" My reply has always been that when I am in a party and it is right, my desire is to stay in the party and keep it right; if I am in a party and it is wrong, my desire is to stay in the party and make it right. I have not left the original Republican Party of Lincoln, but I fear many who claim to be Republicans have already deserted.

If another depression starts in the farm belt because of the administration of Republicans, the next election will further reduce the membership of the party. I can be defeated for reelection, and if so, I will take it gracefully, but I refuse to be legislated out of office by my own party. The defeat of 90 percent of parity and a veto of the pay-raise bill will place in the hands of Democrats in the Farm Belt a powerful argument.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. MASON. I have been around as long as the gentleman, and the Republi-

can Party did not defeat the McNary-Haugen Act. It was passed by a Republican Congress and vetoed by a Republican President.

Mr. BURDICK. Well, that is all right, that is the same thing—that is the same thing—only worse.

I have a great deal of timidity about speaking on the farm question when I heard such great agricultural experts as the gentleman from New York [Mr. KEATING] and the gentlemen from other sections of the country who spoke about the amount of money that North Dakota got out of what they put in. Well, let me tell you about New York. New York had 120 times the length of soup lines that North Dakota had. Have you forgotten—soup lines, I mean, in every big city in this country because there was no employment, and the reason for it was that the farm buying power had disappeared.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. POLK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for another 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. SHEEHAN. Mr. Chairman, reserving the right to object, and I am not going to object. There have been a couple of us city boys here who are not farmers trying to get recognition for 2 days and we have not been able to get recognition yet. If we do not get recognition, I am going to object to all further requests for extension of time.

Mr. SCOTT. Mr. Chairman, I second that statement.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, if the gentleman will tell us where Sitting Bull is buried, I might agree to let him go on. I think he ought to include that in his remarks.

Mr. SCOTT. Mr. Chairman, if the gentleman will ask for 2 additional minutes, I will not object.

Mr. BURDICK. You can just object all you want, but I notice the objections are coming from Republicans.

Mr. SHEEHAN. Mr. Chairman, I object.

Mr. SCOTT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is well that we occasionally take stock of some experience of years gone by. In this regard, may I say to the gentleman from North Dakota [Mr. BURDICK] that I am very grateful for his excellent speech. He stated the case so accurately and his Republican colleagues would do well to heed his words. The tremendous demonstration and applause which followed indicates that the Members of the House, especially on the Democratic side, agree with the gentleman.

I would like to have the attention of my good friend, the gentleman from Wisconsin [Mr. LAIRD], who offered the pending amendment. First, I wish to say that the gentleman is a very valuable and popular member of the committee. He has a very wide knowledge of prob-

lems confronting the dairy industry and dairy farmers.

He made a statement in presenting his amendment that all he wanted was the same treatment for the dairy farmers that we now give or have given or propose to give in this bill to cotton, wheat, corn, rice, and peanut farmers.

I would like to ask the gentleman this question: Would the gentleman be willing to accept a marketing control provision, if such could be drafted, to bring the marketing of milk in line with demand, as the law now requires of the so-called basic commodities in order to qualify for price supports? Would he be willing to accept that?

Mr. LAIRD. I would have to look over the proposal very closely and very carefully. We have several bills before the committee. It is a most interesting question that my friend propounds, and I think in all fairness I should have an opportunity to look at the specific proposal. I cannot completely reject controls. I introduced a self-help plan last year with a base-surplus control section.

Mr. ABERNETHY. The gentleman says he would prefer to look into it. I will ask the gentleman if the law does not provide that dairy products are supported at 75 to 90 percent of parity, with no controls, and no marketing quotas, and if it is not also true that the gentleman's own State has increased its milk production last year by 13 percent?

Mr. LAIRD. No, that is not true. The figure is from 1952 to 1954. There was a production increase of 16 percent, I believe.

Mr. ABERNETHY. Then at the same time acreage for cotton, wheat, corn, and these other crops was cut back; the production was cut back, but the production of milk, particularly in the gentleman's own State, has been increasing constantly because you have no controls and you have a support price on unlimited production of 75 to 90 percent.

Mr. LAIRD. Does not the gentleman think the production has been kept in line?

Mr. ABERNETHY. But what I have stated is a fact. The gentleman's State has overproduced. It has increased production of milk. Basic acreages and yields have been reduced.

Mr. LAIRD. The production is up in Wisconsin, that is true.

Mr. ABERNETHY. And you have an unlimited program from the standpoint of production, with supports at from 75 to 90 percent of parity irrespective of how much you produce.

Mr. LAIRD. No, we have a program at which milk is presently being supported at 80 percent of parity.

Mr. ABERNETHY. Seventy-five to ninety percent of parity, and then in addition to that you have marketed a great deal of your surplus in the school-lunch program.

Mr. LAIRD. Well, that is mostly fluid milk.

Mr. ABERNETHY. Well, but you do have that extra market. There is no corn, no wheat, no cotton, and no peanuts, and only a very little rice, that goes into such an extra outlet for surpluses. Would you be willing to give up that extra outlet so as to have com-



parable treatment with the basics for which you appeal?

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I do not yield. I have yielded to the gentleman from Wisconsin.

Mr. LAIRD. I favor equal treatment for the basics.

Mr. ABERNETHY. Would you be willing to give up that which the basics do not have, that is, a portion of the school-lunch program, plus a \$50 million extra amount put into the bill last year for the marketing of surplus milk through school lunches, which this bill, incidentally, increases to \$75 million?

Mr. LAIRD. I feel that the basic commodities should be used in the school-lunch program also. I have always been for expanding the school-lunch program.

Mr. ABERNETHY. That is not what I asked the gentleman. I asked the gentleman who stated that he wanted to put dairy products on the same basis as the basics, if he would be willing to give up something which the basics do not have.

Mr. LAIRD. I would be willing to extend to the basics the same benefits. My amendment is to section 1.

Mr. ABERNETHY. You also have other advantages and fringe benefits which basics do not have. You market some of your surpluses through the Veterans' Administration hospitals, do you not?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. GAVIN. Mr. Chairman, I object.

Mr. ABERNETHY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ABERNETHY moves that the committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes in support of his motion.

Mr. ABERNETHY. I ask if the gentleman would be willing—

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. The gentleman is not talking about his motion.

The CHAIRMAN. The gentleman from Mississippi will proceed in order.

Mr. ABERNETHY. I ask the gentleman now if he would be willing to strike out that provision of the law which provides for the marketing of surplus milk through the Veterans' Administration hospitals?

Mr. LAIRD. I really do not get the point of this particular discussion my distinguished friend from Mississippi is carrying on here. I do not want to make a comparison with the amount of money we spend on wheat gifts to Pakistan, for instance, with the amount that has been

given in dairy products. I think you will find that the amount of funds that were used on certain basic commodities have been quite large, but I do not think that has any place in this discussion. I favor equality in the treatment of all sections of our agricultural economy.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. The gentleman from Mississippi has made a motion to strike out the enacting clause and report the bill back to the House with that recommendation. I challenge his right to speak unless he is in favor of his motion.

The CHAIRMAN. The Chair assumes the gentleman is in favor of his motion.

Mr. ABERNETHY. Mr. Chairman, I am addressing myself to the contents of the bill.

Mr. HOFFMAN of Michigan. My point of order is that the motion is dilatory and that the gentleman does not intend to support the motion.

The CHAIRMAN. The merits of the bill are open to discussion under the gentleman's motion.

Mr. LAIRD. Mr. Chairman, I am glad to have had this discussion. I think this is helpful in bringing out the true facts as to the situation which confronts Wisconsin farmers at the present time. I do not think that some people have been fair in discussing this problem in my particular State, and I am glad to have the distinguished chairman of the subcommittee on dairying carrying on this discussion today. I think we can bring out some real information that will be helpful in having a clear understanding of what the dairy picture is.

Mr. ABERNETHY. What I am trying to point out—and I think the gentleman agrees with me—is that there is a distinction, a particular and proper distinction in the two programs. I think the gentleman will also agree that the gentleman does not want to give equal treatment between the basics and the dairy farmers because, so to do would require controls for dairy farmers, which I doubt they want but which I am willing for them to have if they want them in consideration of price supports at 90 percent of parity.

Mr. LAIRD. It will assure equal treatment as far as the percentage of support level is concerned.

Mr. ABERNETHY. That is correct, but unequal treatment when considering the fact that basics are produced and marketed under rigid controls. So there would not be absolute equality. Actually your amendment would give the most preferential treatment to dairy products. The only equality would be the level of supports.

Mr. LAIRD. And that is all that I stated, I believe, in my remarks.

I certainly would have no objection to increasing the school-lunch program in the Nation for I have long been a supporter of that. I certainly feel that if there is a place where we can use more of our surplus commodities that we have in the hands of the Commodity Credit

Corporation at the present time we should do so, and I will support the gentleman's amendment wholeheartedly.

Mr. ABERNETHY. I have no amendment; I am simply asking the gentleman if he would agree to put the basics on the same level with dairy products or vice versa.

Mr. LAIRD. I want to use the greatest amount possible of the commodities that are in the hands of the Commodity Credit Corporation to reduce the surplus which we have on the agricultural markets all over this country today, and if you know of any way in which we can use more of the basic commodities I will introduce an amendment to provide for their use in the school program.

Mr. ABERNETHY. May I also point out, Mr. Chairman, that dairy farmers have the benefit of the brucellosis campaign, which is another fringe benefit with nothing comparable for basics. Dairy farmers have marketing orders, both State and Federal. They benefit by price-fixing boards. They have many programs and fringe benefits which basics do not have. And they have unlimited freedom of production with a pretty good support price.

In conclusion, Mr. Chairman, I wish to assure my friends from the Dairy Belt that anytime they will agree to take the same controls, the same quotas, and exactly the same sort of program which the basics have I will be perfectly willing to help them get it. But it certainly would not be fair to the basics and I doubt that it would be sound to support the unlimited production of dairy products at 90 percent of parity. I repeat, when dairy farmers ask for a control program and are willing to accept marketing quotas in consideration of 90-percent supports—a program comparable to that which we seek for basics—I will be on their side. I will contribute my effort and make just as hard a fight for them as I have made for the basics.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. The point of order is this: The gentleman from Mississippi made a motion to strike out the enacting clause of the bill, the entire bill, but his entire speech has been with reference to one particular provision of the bill and he has not said anything about striking out the enacting clause.

The CHAIRMAN. The gentleman from Mississippi has yielded the floor. The gentleman was privileged to talk about any part of the bill.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to withdraw the motion.

Mr. HOFFMAN of Michigan. I object to withdrawal of the motion.

The CHAIRMAN. For what purpose does the gentleman from New York [Mr. ANFUSO] rise?

Mr. ANFUSO. To strike out the last word.

The CHAIRMAN. The gentleman cannot be recognized for that purpose; there is a preferential motion pending.



Mr. MEADER. Mr. Chairman, I ask recognition to speak in opposition to the motion.

The CHAIRMAN. The gentleman from Michigan [Mr. MEADER] is recognized in opposition to the preferential motion.

Mr. MEADER. Mr. Chairman, I oppose this motion because it would have the effect, if carried, of limiting discussion on the measure and disposing of it in a rather backhanded way. I think the Committee should complete the debate.

Mr. Chairman, I want to call the attention of the Michigan delegation particularly to a communication received from our Governor, the Honorable G. Mennen Williams. I invite the attention not only of the Republican Members from Michigan but also the Democrats, because Governor Williams' letter, which purportedly was a result of a thorough study of this legislation, instructs the Michigan delegation how to vote. It also contains some misleading statements, the basis for his advice.

Governor Williams' letter might well interest other Members on the Democratic side of the aisle, because he obviously has aspirations to national office on the Democratic ticket. You ought to have some advance warning, therefore, how he thinks about problems of this character.

He made the first error in his letter by blaming the reduced income of Michigan farmers on the flexible price-support program. He apparently does not know that the program has not yet gone into effect. That indicates sloppy thinking on Federal issues, and it would indicate that a man who thought so superficially cannot be entrusted to handle national problems.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is the gentleman talking about the Democratic or the CIO Governor?

Mr. MEADER. I am talking about the present Governor of Michigan who seems to be in close rapport with Walter Reuther, whom I understand the gentleman desires to discuss.

Let me point out that the Governor in his letter—and I call the attention of the Michigan delegation particularly to this point—cited a drop in dairy farm income in Michigan between 1952 and 1954. What he did not tell you was that that drop in dairy prices occurred while the 90-percent support price was in effect.

What is the truth about the matter? Since the 75 percent of parity order of February 15, 1954, which became effective on April 1, 1954, the dairy industry in Michigan has done far better than before. The blend price of all milk in the Detroit area for March of 1955 was 11 cents per hundred higher with Government price support at 75 percent of parity than it was in March of 1954, with supports at 90 percent of parity. A fact of equal importance is that the consumption of milk in the same period in the Detroit milkshed has increased by 6 percent under the 75-percent support,

whereas the production of milk increased by less than 2 percent. The law of supply and demand operated effectively even in so short a period of time and the dairy industry is far better off in 1955 under the 75-percent price-support program than it was under the 90-percent price support in 1954.

So the Governor of Michigan, aspiring to national office, and taking his time away from difficult and complex problems of the State of Michigan, now proceeds to instruct our delegation on the basis of misleading figures and misconstrued facts.

Mr. BASS of Tennessee. Mr. Chairman, a point of order. I do not believe that the Governor of Michigan is germane to the motion now before the House.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. MEADER. Mr. Chairman, I want to caution the members of the Michigan delegation to read the letter of the Governor very carefully in the light of all the facts, and not be misled by his high office and his leadership of the Democratic Party in Michigan.

Governor Williams' letter to me and my reply to him are as follows:

STATE OF MICHIGAN,  
OFFICE OF THE GOVERNOR,  
Lansing, April 11, 1955.

HON. GEORGE MEADER,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN MEADER: It has come to my attention that both Houses of Congress will soon debate the farm price-supports issue. This is a subject of great concern to us here in Michigan and I should like to present my views for your consideration.

Since 1952, farm-labor income in Michigan has dropped from almost \$3,000 to \$2,200 a year. This represents a drop of almost 30 percent and it is expected to go down another 4 percent or 5 percent this year. Farm labor income is defined as the income the farmer has left after all expenses, depreciation, family labor and interest at 5 percent have been deducted from gross income.

Such a drop in income for our farmers has meant in the past a consequent severe impact on the rest of our economy. We know that the farm population of our country consumes a significant portion of durable products, particularly steel, rubber, petroleum and other heavy industrial goods. A drop in their income can only mean that other industries must cut back their production.

The administration's present flexible-support system has, in my opinion, been one of the major factors in this decline. Our Michigan dairy industry was the first to feel the effects of the administration program and the results are quite apparent. In 1952 the rate to the farmer per hour of labor in dairy production was \$1.66 an hour. By 1954 it had dropped to 90 cents an hour. In 1952 the net profit to the farmer per hundred-weight of milk was 55 cents. In 1954 it was minus 36 cents. Quite obviously no producing segment of our economy can continue when it is losing money on a basic commodity.

These facts, I hope, will be helpful to you. They certainly indicate that the present system of flexible price supports has had a very adverse effect on the Michigan farmer's chief cash crop. Consequently, I hope you will support a better system.

Sincerely,

G. MENNEN WILLIAMS,  
Governor.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., May 5, 1955.  
HON. G. MENNEN WILLIAMS,  
Michigan State Capitol,  
Lansing, Mich.

DEAR GOVERNOR WILLIAMS: This will acknowledge receipt of your letter of April 11, 1955, urging my endorsement of rigid farm price support legislation.

Your letter would seem to imply a thorough study of the subject matter before taking your position on this matter of controversial national policy.

Because your conclusions and some of your statistics seem to differ from the understanding I have of the farm price support problem, I investigated the matter in some detail. I am satisfied either that you were misinformed by your advisers or that your study must necessarily have been somewhat superficial.

Since your interest in this problem seems to be a serious one, I offer the results of my study.

You assert that the drop in farm prices resulted from the adoption of the flexible farm price support program advocated by Secretary of Agriculture Benson.

You apparently are unaware that the program is not yet in effect. Therefore, it could not be responsible for the drop in farm prices. The drop occurred under the rigid 90 percent of parity law which has been responsible for the building up of the huge surpluses which have depressed the market.

You also ignore the effect of the build-up of farm production during the Korean war and the slackening of demand after the war. The drop in farm prices and income began before the Eisenhower administration took office and has not been affected by the flexible price support policy which will become effective only with the 1955 crop which has not yet been harvested.

You write of the decline in farm income:

"The administration's present flexible support system has, in my opinion, been one of the major factors in this decline. Our Michigan-dairy industry was the first to feel the effects of the administration program and the results are quite apparent. In 1952 the rate to the farmer per hour of labor in dairy production was \$1.66 an hour. By 1954 it had dropped to 90 cents an hour. In 1952 the net profit to the farmer per hundred-weight of milk was 55 cents. In 1954 it was minus 36 cents. Quite obviously no producing segment of our economy can continue when it is losing money on a basic commodity."

Your figures on the drop in farm labor hourly rates and profits in Michigan's dairy industry do not support your conclusion that the reduction in dairy price supports was at fault. The price-support reduction from 90 percent to 75 percent of parity on dairy products, as required by the price support law before it was amended, was ordered February 15, 1954, and became effective April 1, 1954. The drop in price and farm labor rates you cite occurred before the effective date of that order during the period when dairy product prices were supported at 90 percent of parity.

Your statement that Michigan dairy farmers are suffering from lower price supports is not correct. The records show that the blend price of all milk in the Detroit area for March 1955 was 11 cents per hundred higher with Government price supports at 75 percent of parity than it was in March 1954 with supports at 90 percent of parity. Reports from 8 major milk condenseries in the State of Michigan show that the price paid to farmers for milk in the month of March 1955, with 75 percent supports was 16 cents per hundred higher than in 1954, with the support prices at 90 percent of parity.

Your facts and mine condemn the rigid price support policy you urge me to accept.



I might point out that your letter is wholly deficient in discussing the policy question involved in this legislation, namely, whether you favor a free economy or a pseudo-socialistic economy. That question should receive your careful thought since many Michigan voters—and if you seek national office, the American public—would very much like to have a clearcut statement from you as to whether you favor measures tending toward socialism or whether you have a sincere and steadfast faith in the ability of the American people to make their own economic decisions to the maximum possible extent under modern conditions.

Many farmers, as you must know, believe they are capable of running their own farms and resent autocratic dictation from Washington, which necessarily flows from a Government rigid price support and allocation system.

Since you have undertaken to instruct the Michigan congressional delegation on this most important Federal problem, I suggest that you take the additional time from your difficult and manifold duties as Michigan's Governor to make the necessary factual inquiries and policy decisions which would render your advice helpful rather than misleading.

Sincerely,

GEORGE MEADER.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Mississippi [Mr. ABERNETHY].

The motion was rejected.

Mr. BECKER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during 2 days of debate on the floor, I have listened to a great deal of talk about the rigid and flexible price supports.

A few minutes ago the gentleman from North Dakota started to give us some history about the start of the depression of the thirties. Before he finished he made some reference to the McNary-Haugen bill, which was long before my time. There was a great deal of glee and applause on the part of my Democratic colleagues on the right.

Well, if I remember correctly, the depression that he referred to went on for a period of 10 years. There was pump priming in all directions and the spending of some \$75 billion of the American taxpayers' money that cured nothing.

I wonder if my colleagues on the right will cheer now, when I say to them that it was the sacrifice of half a million young American lives on fields of battle throughout the world that was the only cure for that depression. No man living or dead can say that he cured it. It was cured by the spending for war, regardless of who was responsible for it.

Now, regarding this price-support program, there is one point upon which I am not clear. A year ago we voted for a flexible price-support program of approximately 82.5 percent. Today, and before that bill has even had a chance to go into effect, we are asked to repudiate that legislation and return to 90 percent of parity.

Let us look at the record very briefly. In 1951, according to the testimony, farm prices began to slide off, and according to the statements made on this floor, under the Democratic administration there had been a drop of 19 points prior to 1953. Now, if the 90 percent of parity was in effect at that time and is still in

effect today, how can you say that 90 percent is going to cure the sliding off of farm prices? We voted last year for flexible supports to try to cure the evil. I must say, that from the reports I have received from the farm bureaus, from the farm organizations, and from the farmers of the great State of New York, they all appear to be in favor of putting in the flexible price-support program to see how it will operate as against the rigid price supports.

Mr. Chairman, I ask today, speaking not as a farmer but as one, who comes from a once great farming area of Long Island, and who lived all his life there, that the farmers and the consumers be given a chance. All of the farmers that I know, every single one of them on Long Island, and those of my acquaintance in upstate New York, as well as the consumers, want us to support the flexible price program and give it an opportunity to work. It is the only fair and sensible thing to do at this time.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to congratulate the gentleman for his forthright statement and say as another Long Islander, representing a farming district, that our farmers to a man agree with him 100 percent.

Mr. BECKER. I thank the gentleman.

Mr. ANFUSO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not profess to be on expert on this subject of farming, but I do know one thing, that all of the experience in the world is not worth anything unless that experience is backed up by the heart. I would like to have every member of this committee know that my sympathies lie with the little fellow, whether the little fellow is on the farm, working there, toiling every day, or whether he is toiling in the factories. That is the reason I am in favor of this support program, because it protects that little man on the farm.

Yesterday, Mr. Chairman, the peanut amendment was introduced by my distinguished colleague the gentleman from Pennsylvania [Mr. GREEN]. This amendment was immediately embraced as no woman has ever been embraced by the Republican leadership on that side of the aisle. I intended to vote for that amendment because it appeared to me that it would reduce the price of peanuts used in candy, to millions of schoolchildren. But I had a very strong suspicion that the Republican leadership, which had embraced that amendment, was not really sincere; that it did not intend to walk with this amendment all the way down the aisle to final passage, that it had been accepted for the purpose of weakening this entire farm program. This suspicion became a reality last evening when I heard from reliable sources that when it came to final passage a motion was going to be made to recommit this entire bill and to scuttle the entire farm program.

If that is not so, Mr. Chairman, then I defy those in command on the left side of the aisle to get up now and say that it is not so. I defy them to say

that they are for H. R. 12 as amended by the peanut amendment.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Illinois.

Mr. VURSELL. I want to say to the gentleman, as one who introduced a peanut amendment last year and who supported it this year, that I introduced it in the interests of employment of people. It is my sincere hope that it will be passed and ultimately will become law.

Mr. ANFUSO. Will the gentleman vote for the bill with the amendment?

Mr. VURSELL. I shall vote for the bill with the amendment, if we can have the flexible price-support bill.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the distinguished gentleman from New York.

Mr. COOLEY. Mr. Chairman, I ask that the distinguished gentleman's time be extended for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SHEEHAN. Mr. Chairman, reserving the right to object, on the basis, as already stated, that we have been trying to get recognition heretofore, I am constrained to object.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. MULTER. I understand there have been no hearings before the Committee on Agriculture, either in the last session or in this session, on a peanut amendment taking peanuts out as a basic commodity; is that correct?

Mr. ANFUSO. That is correct.

Mr. MULTER. Do I understand also that the gentleman is prepared to introduce a bill to take peanuts out as a basic commodity?

Mr. ANFUSO. I shall be more than happy to do so, and I am sure that I can get our distinguished chairman to hold hearings on it.

Mr. MULTER. May I ask the chairman of the committee to indicate whether or not we can have hearings on such a bill?

Mr. COOLEY. If the gentleman yields to me for that purpose, I can assure him that I shall be very glad to arrange for hearings and to arrange for Mr. Benson and his associates to come before the committee and express their views on the matter; but as to what action will be taken, I am not in a position to predict.

Mr. ANFUSO. That is fair enough.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SHEEHAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as a Representative who comes from a city or an urban area, I would like to speak for the consumers of this Nation on this bill. The present attempt, under H. R. 12, to restore the rigid support prices which were voted out by the 83d Congress, is not fair to consumers because, as yet, the country has not been able to find out how the flexible parity support program voted last year will work. With only one-



sixth to one-eighth of the entire population of the United States being directly concerned with farm work, the greatest bulk of our residents are consumers and certainly we owe them the duty of protecting their interests.

As a city Representative, I firmly believe that, in the interests of our national welfare, we must support the farmers in some manner. Unquestionably, there is a direct correlation between the level of prosperity of the farmers and the general level of prosperity of the whole economy of the United States. As a city Representative, and, I am sure I am speaking for the greatest bulk of my constituents, we want to help the farm people to maintain prosperity because we will be helping the general welfare of the United States. I believe that the best way to help the farmers is to defeat this bill under consideration, H. R. 12, and to give the flexible price support program which was voted on last year, a chance to operate.

In plain, nonfarm language, it appears to me that the committee's report indicates that agriculture is weak. It is weak because the Government hired the farmer to overproduce during the war, and he liked it so well we have kept on hiring him to raise big surpluses after the need for them was over. We did it, I guess, because it seemed to be good politics.

As a Representative of a nonfarm area, let me say that I do not think it was good politics at all. I think the farmer is smart enough to realize that he is getting progressively worse off under rigid price supports; and I am sure the urban segment of our population is getting pretty tired of paying heavy taxes to support farm prices and raise the price of the foodstuffs which they, as consumers, must buy.

Whether we live in the city or on the farm, we are all consumers and taxpayers; and as loyal Americans we resent having these additional burdens placed on us without cause.

The city housewife who struggles to stretch a limited budget to buy proper food for her family, the taxpayer who sees a large portion of his income going to the Government in taxes, and the farmer who finds his condition worsening every year—all will testify that the high mandatory price supports under which the farmers have operated during recent years have not been helpful to them.

Why, then, are we asked today to reverse the action of the 83d Congress and continue the mandatory supports which have brought hardship on these people?

The proponents of this bill are telling us that the grocery-buying housewife, the taxpayer, and the farmer are thriving under rigid price supports. They ask us to continue these so that these people will continue being as prosperous as they are today. Yet, under our past program of rigid supports the farmers' income has declined over the last several years.

As a city dweller, I want to tell you that the housewives, the taxpayers, and the farmers do not want a continuation of the rigid supports which have brought us where we are today. I believe that

the best way to serve the farmer, as well as the consumer, is to defeat the bill now on the floor and to give the farmer the flexible price supports which we promised him last year.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 5 additional minutes.

Mr. GAVIN. I object.

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Chairman, it is impossible even to sketch this question in 5 minutes but I shall proceed to use the 5 minutes I have.

First, I want to compliment the handful of distinguished gentlemen on the lefthand side of this aisle, and I say "handful," who have had the courage and the statesmanship as they stood up on the floor of this House and in their work in the committees and demonstrated that they had the courage to enunciate on the floor of this House the things they believe in and the programs they stand for.

The gentleman who just left the microphone said he wanted to help the farmer out. I hope he will pardon me when I say that gentlemen like him, and many others, really want to help the farmer out. They want to help him entirely out, off his farm and out of business and into bankruptcy.

I hate to speak on H. R. 12 in a political manner, but there is politics in everything in these United States. The bread you buy, the clothes on your back, the job you have, depend on politics. You can say you do not want to have anything to do with politics if you want to, but you cannot help it.

We hear a lot about the Republican farm program and the Eisenhower farm program. The Republicans do not have a farm program and they never have had one. All they are seeking to do on the floor of the House today is to scuttle and hamstring and cripple the program that was handed down to us by the Democratic Party. The Republican Party celebrated their 100th anniversary in March 1954. They have been in control of the Federal Government 64 of that 100 years. Do not say you never had a chance.

Did your party ever make it possible to have a Federal land bank in the United States? Did your party make it possible for REA co-ops to get some money at low interest rates so that the farmers could get electric lights and refrigeration out to the farms where the farm women had spent their lifetime rubbing out dirty clothes on a washboard and living with old coal-oil lamps to see by? Did your party ever establish a minimum wage? Did your party ever guarantee a bank deposit? Did your party ever establish a social security program? In those 64 years, Republican gentlemen, just what did your party do for the good of the common man of the United States?

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I cannot yield now.

Mr. HOFFMAN of Michigan. I will tell you what we did, but you do not want to know.

Mr. CHRISTOPHER. I will give you a chance after I sit down. You can speak on your own time, and I hope then that you will tell me.

Mr. Chairman, here is the reason we need these price supports. I have farmed with price supports and I have farmed without price supports. I was farming in 1920 and 1921. In June 1921 corn in Missouri was worth \$1.80 a bushel. In December, it was worth 56 cents a bushel. I would not sell my corn for that price so I kept it until August of 1922, and then I sold it for 26 cents a bushel. I had no price supports. And once through that in a lifetime, ladies and gentlemen, is enough for any farmer. The net farm income from farming during the year ending January 1921 was \$6.9 billion. The net income from farming for the year ending January 1922, was \$3.7 billion, a loss in 1 year of \$3.2 billion, or almost 50 percent. As soon as the Republican administration was elected in 1920, they cut the farm income in the United States in half. If it were not for the program that they are trying to scuttle on the floor of the House today, we would have 75-cent wheat, 8-cent hogs, 40-cent corn, and 10-cent cotton. We have to have 90 percent price supports on the basic commodities, and we ought to have a lot better supports than we have on the nonbasic commodities that the gentleman from Wisconsin was talking about a while ago.

Perhaps you have forgotten to just how low a point agricultural income had sunk 22 years ago? I will give you some Bureau of Agricultural Economics figures that will indicate prices farmers were receiving for the food and fiber they produced at that time. Twenty-two years ago the per capita income of farm people from farming operations had sunk to the unbelievable figure of \$94. The average price of wheat 22 years ago for the entire year of 1932 was 38.2 cents per bushel; the corn crop sold for 31.6 cents; the oats crop that year brought the farmers 15.7 cents; barley, 22.1 cents; cotton 5.6 cents per pound; tobacco, 10.5 cents; peanuts, 0.015 cent; the average price of all cattle and calves 1 year old and over was \$17.78 per head; sheep and lambs, \$3.44 and the wool clip brought 8.2 cents per pound. The mortgage debt against the American farms had reached the staggering total of more than \$9,600 million and much of this vast amount was on a 5-year basis where the borrower paid a commission in many cases as high as 5 percent with 6 to 8 percent interest. In 5 years the loan was due and often a renewal commission of 2.5 percent was charged. Conditions had gotten so bad that the farmer was unable to pay his interest and a storm of farm foreclosures was sweeping the land. More than 9,000 banks had failed during the 12 year period just prior to 1932 and not a single deposit was insured. Now, as a result of the help and encouragement extended the farmers by these programs, we have a different picture.

Wheat in 1952 sold for \$2 per bushel; corn, \$1.58; oats, 80 cents; barley, \$1.17;



cotton, 37 cents per pound; peanuts, 0.109 cent; tobacco, 0.516 cent; and cattle and calves averaged \$160 per head; sheep and lambs \$26.40; the wool clip 57.9 cents per pound; and farmers had reduced their mortgage debt to \$4,200,000,000 having paid almost \$5.5 billions on the original debt.

During this 22-year period the per capita income of farm people from their farming operations had increased from \$94 to \$636. The farmer was not the only segment of our population that had benefited by this great program of liberal legislation. The income of non-farm people had risen from \$464 in 1934 to \$1,563 in 1952, which gave the non-farm population an income that would permit them to buy products of the American farm at a little more than the cost of production.

It seems to me a strange coincidence, but none the less true, that whenever a Republican administration takes over the reins of our Government five things immediately come to pass:

First. Drastically lower prices of the food and fiber produced on the American farms;

Second. A stock market boom that bursts right through the ceiling;

Third. Higher interest rates;

Fourth. Tighter credit;

Fifth. Tax cuts that go to the extremely rich and our giant corporations.

Check what is happening in the United States today and you will readily see that the present Republican administration is no exception to that old rule.

All this price-support program has ever sought to do was to give the American farmer something near a fair share of the national income, and a reduction in the price supports on his basic commodities is bound to reduce his income, which is already far too low, and thereby make him a poorer customer of business and industry. Every Member of this Congress should vote for H. R. 12 in the interest of the people in their district, because the prosperity of the non-farmer is so interwoven with the farmer's prosperity that one class cannot prosper for long unless the purchasing power of the other is at par.

Industry has its protective tariff, labor has its minimum wage and H. R. 12 is the farmers' minimum wage. How can you deny to the American farmer, the protection you so readily accord to the other segments of our national economy?

Even though it has cost the people of the United States approximately 50 cents per person, per year, to support the price of our basic commodities, I contend that it is a small price to pay for staying out of a depression such as we had in the early thirties. The American farmer is feeding and clothing this Nation better than any nation was ever fed and clothed in the history of the world; and I can see no just reason why he should be penalized and his purchasing power destroyed just because he has done a good job.

The price of supporting our basic commodities at 90 percent of parity has been so low as to sink into insignificance when compared to the subsidies granted to business and industry. We must not

allow the American farmer to sink again to bankruptcy—and gentlemen, he is started in that direction now. Shall we push him further down that road by failing to pass H. R. 12?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been said that some very amusing things have happened on this floor. Personally, I do not think it has been very amusing. I think a great deal of it has been tragic. I think the description of our farm population and the conditions under which they live, as given by many of the distinguished members of the Committee on Agriculture is extremely tragic. I do not think it is particularly amusing that the speaker before me described the gentleman from North Dakota as a handful. I have always thought he was a handful in every sense of the word; I think the description was apt, but not at all amusing.

Now, it so happens that I represent one of the biggest dairy districts in the United States of America. I know that it is the fashion on the floor of this House, whenever New York is mentioned in comparing it with other agricultural States, that everyone smiles because most people seem to think that our great State is bounded by Broadway and 42d Street. This, however, is not the truth. The dairy farmers and the poultry farmers of my district are unalterably opposed to this bill. They do not consider that they are living on such a low level. They do believe that a great deal of harm has been done to the agricultural economy as a result of the 90 percent price support program on basic commodities. They feel that the present law has not been given a chance to operate, and they ask you very simply, and, as I think, very fairly, to give it a chance. After all, this law only became effective on January 1, 1955. All the horrors that have been described today and yesterday, and perhaps will be described tomorrow if this goes on, certainly never took place under the law that went into effect on January 1, 1955.

Mr. Walter Reuther testified before this great Committee on Agriculture. I, for one, am delighted that he did testify. I, for one, believe that every segment of our economy has to fit in together, has to compare notes, has to work together. Certainly his contribution to these deliberations was a worthwhile contribution, but I might say, for my part, that I prefer to follow the guidance and advice of Mr. Charles B. Shuman, president of the American Farm Bureau Federation, when my vote comes on this matter. Mr. Shuman, as you know, has sent telegrams to many of us, and has said, "We recommend the defeat of H. R. 12." In my book, speaking for the farmers, I know that he speaks better and more sympathetically for the farmers of my district than anyone else who could testify, and for that reason I shall oppose this bill and shall vote against it.

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. ST. GEORGE] has expired.

Mr. MULTER. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, I supported the rigid price-support program and I intend to do it again today. I supported the peanut amendment last year, and I did yesterday, but I am beginning to wonder whether or not the victory that was accomplished on the peanut amendment yesterday was not brought about at least by some people who want to scuttle the entire program and see this bill defeated.

I have noticed that most of our Republican colleagues walked through the tellers yesterday in support of the peanut amendment. I ask now how many of them who voted for the peanut amendment yesterday will vote for this bill if the peanut amendment remains in the bill? Those of you who will, please do me the favor of rising in your seats.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order. I object to that as being contrary to the rules. The gentleman has no right to call for a rising vote.

The CHAIRMAN. The gentleman will proceed in order.

Mr. LAIRD. Mr. Chairman, will the gentleman yield so that I may answer his question?

Mr. MULTER. No, I will yield at this point only for a show of hands or a rising by those Members on the left-hand side of the aisle who will vote for this bill with the peanut amendment in it.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order. The gentleman is out of order, and under the rules his request should be stricken from the record.

The CHAIRMAN. The gentleman's point of order is well taken. Questions can be put only by the Chair. The Chair trusts the gentleman will proceed in order.

Mr. MULTER. I apologize. I am sorry. I ask those on the left-hand side of the aisle to seek time, after I sit down, and to tell us in all fairness: Will they or will they not vote for this bill if the amendment remains in it? If they do not seek such time, we will have the right to assume that they voted for the amendment, intending thereby to beat this bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. The gentleman has no right, under the rules, to make that challenge or to ask for that indication on the part of the membership. It is a challenge to the membership of the House as to how they will vote.

Mr. MULTER. I withdraw the challenge, if it is one, but I do make that suggestion to our distinguished colleagues. We should be fair with one another.

Mr. Chairman, there has been some talk here about some deals between farmers and labor. I for one say there is nothing invidious about such a deal if one has been made. I would like to see the time come when the farmer and the wage earner in this country did get



together and join in a program for their mutual benefit and the improvement of their standards of living. Every time we bring about such an improvement we improve the standard of living of the whole country. There is not the slightest doubt but that the wage earner and the farmer together constitute the backbone of our economic system, and unless they prosper the country cannot prosper. When we give the farmer a fair return for his product he has more money with which to buy the city man's goods, and when we give the city man a better wage he has more money with which to buy the farmer's commodities. I would like to hear some of those who inveigh against collaboration between the wage earners and the farmers speak out against the big-business mergers and consolidations.

If the defeat of the peanut amendment will bring about the amalgamation of labor and the farmers in this country then I say let us defeat the peanut amendment. If we can get these people together, working side by side for their mutual advantage, we will be doing a good thing for the Nation. Let us get them together and then hope they will remain united. Let us do everything possible to bring that about, for I say that will be a good deal, a fair deal, even if it may not be a new deal.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. COOLEY. I would just like to remind the gentleman and other Members of Congress on this side who voted for the peanut amendment that before that amendment was offered the leadership on the Republican side announced that an effort would be made to recommit this bill.

It is perfectly obvious to everyone that the one purpose in putting this peanut amendment in the bill was to make the bill unpalatable to some of us on this side in the hope and almost with the assurance that the bill would be recommitment. Then they would accomplish nothing for the great manufacturers of candy they are trying to help.

Mr. SCOTT. Mr. Chairman, a parliamentary inquiry. Are we not entitled to know the name?

The CHAIRMAN. Does the gentleman from New York yield for a parliamentary inquiry?

Mr. MULTER. Not if it is taken out of my time.

The CHAIRMAN. It will come out of the gentleman's time.

Mr. MULTER. Mr. Chairman, I must decline to yield.

Mr. COOLEY. Mr. Chairman, will the gentleman yield further?

Mr. THOMSON of Wyoming. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. THOMSON of Wyoming. The gentleman is out of order in that he is not addressing himself to the pending amendment but has gotten off onto the subject of peanuts.

The CHAIRMAN. The gentleman from New York will proceed in order.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. COOLEY. The suggestion is made that I should name the person I referred to. CHARLIE HALLECK, the majority leader, made the statement, that every effort would be made to recommit the bill.

Mr. SCOTT. Mr. Chairman, will the gentleman yield for clarification?

Mr. MULTER. This much appears crystal clear at this moment and I am sure needs no clarification. The members who voted for the peanut amendment must make up their minds as to whether or not they want the pleasure of having passed the peanut amendment, and then having that amendment together with the entire bill rejected by this House, or give up the empty victory they have attained and eliminate the amendment and pass the bill. We have been assured that a bill will be introduced dealing solely with an amendment to the act to take out peanuts as a basic commodity. We have been assured of a full and fair hearing on that bill. We can then present that sole issue for action by the Congress.

As I indicated, if the amendment remains in this bill, the bill will then be defeated and absolutely nothing will be accomplished either for the peanut farmers, the users and consumers of peanuts, or for any of the farmers of the country. Defeat of this bill will mean no change in the law this year.

My own opinion is that it is much more important to bring about a change in the law and reestablish 90 percent of parity for all of the commodities covered by existing law, than to have the empty victory for a few minutes of eliminating one commodity which does not belong in the law and thereby preventing any change of any kind.

The CHAIRMAN. The time of the gentleman from New York has expired.

For what purpose does the gentleman from Pennsylvania [Mr. GAVIN] rise?

Mr. GAVIN. To move to strike out the requisite number of words.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. GAVIN. Mr. Chairman, I have been waiting here for 2 hours while the members of the Committee on Agriculture have monopolized most of the time even though there are other Members who would like to be heard on this proposed legislation. I have waited so long it is quite difficult to recall exactly how I wanted to approach and present to you my thinking on this legislation to which I am vigorously opposed.

It has been interesting for me to listen to all of the bleeding hearts on both sides of the aisle about the poor farmer. The poor farmer. And just recently I recall when you came in here and asked for an extension of cotton and tobacco acreage to take care of the poor little farmer, however you forget the fact that when you agreed to certain cotton and tobacco acreage allotments and those allocations were reported back to your respective States and the respective States reported back to the county committees in your respective districts, you found you had forgotten about allocating sufficient acreage to the little farmer

and the little farmer received but little consideration on the allocations so you returned to Congress to plead for increased acreage to take care of the little farmer when you should have taken care of him in the first instance.

So now do not try to make it appear that you feel badly about the little farmer; and I might say it brings tears to my eyes when I hear these pleas made for the little farmer. I want to help the little farmer and do everything I can for his welfare but let us not be misled. A great interest is always shown for the big commercial farmer who is the one responsible for these huge surpluses. Now to get back to this bill. I hold no brief for either side, but the facts are the Republicans have been just as much in favor, in years past, of rigid price supports as the Democrats; so do not take too many bows on the other side of the aisle because the Republicans have contributed just as much to the continuation of these programs as the Democrats. However, let me state I have always vigorously opposed them. But you have all had your nose in the trough for the past several years and you like it. Now let me recall to you that back in 1935 and 1936 we had the dust-bowl storms, the floods, and the droughts. It was not a depression that started the subsidy programs. Nature gave the farmer a hard time that necessitated help for the farmer and he deserved it so the Federal Government moved in to help and that in my opinion is where subsidy programs started. After that came the war and then the cry was to continue subsidy programs as an incentive to the farmer to increase the food supply to meet the needs and demands to fight a war. That was all right and the farmers were entitled to it and they turned in a magnificent performance of which they can well be proud. That was all right and one could readily accept such a program. But after the war was over, you had a great liking for these subsidy programs and I address myself to both sides of the aisle. You liked them, it is a great vote getter and as a matter of political expediency both sides were anxious that they be continued. But the only person who would possibly not agree and who has not been heard here today is the American consumer, the taxpayer who pays the bills. The day will come when Mr. Taxpayer will rebel and these programs will be out. Not many have heard from him but the day will come when you will hear from him in no uncertain terms.

You develop subsidy programs to take foodstuffs off the market and put them in bins, warehouses, and storage places to deteriorate and rot, and later to turn rancid. Then an effort is made to give them away or get rid of the food in any possible manner. All these useless programs cost billions of dollars which are added to your already overburdened national debt, so you can hand down a legacy of a \$300 billion debt to generations that follow, a backbreaking burden of debt and taxation. Even if it was paid at the rate of \$3 billion a year it would take 100 years to pay off the



national debt and still every effort is made to continue these programs.

So you are here today pressing this farm legislation, not from a common sense viewpoint, but from the standpoint of political expediency and how many votes does it mean back home. You have not the courage of your convictions to stand up here and vote your convictions as you really think. You know this legislation for rigid price supports is not sound, it is not practical. Does it make sense to convert, as we did several years ago, young hogs into fertilizer, to distribute the fertilizer to farmers, to yield a production to be plowed under? Those programs never made sense then and they do not make sense now. However, they are approached a bit differently but the objective is the same.

So let us not talk too much about how you want to help the little farmer. What these programs have developed and who profits by them at the expense of the American taxpayers is the big commercial farmer, the big farmer, the fellow with 5,000, 10,000, or 15,000 acres. He is the man who is growing foodstuffs for the Government to pile in storage bins and warehouses to spoil. He is not growing foodstuffs for the consumer, the American people. You all recall the situation when we had the potato program, buy them up, pile them up, pour kerosene on them, burn them up, or feed them to the hogs. There were subsidies of \$100,000, \$200,000, \$300,000 that some of the big potato growers were getting. But when you took off the support price, when you stopped the subsidies and cut out this program, what happened? You went back to supply and demand that built America. The potato market became stabilized and we have not heard much about potatoes since and that could apply to all of these programs.

My friend from Missouri asked, What have the Republicans done in the last 64 years? I will tell you what we have done. We have increased the production in this country to such an extent that we have an approximate \$400 billion income today with over 60 million workers employed. The foundation for all of our real prosperity was developed under the American system. That is what the Republicans have done, and do not forget that.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. COOLEY. Will the gentleman tell us what the national income was in 1932?

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania to proceed for 2 additional minutes?

There was no objection.

Mr. GAVIN. Mr. Chairman, why not approach this legislation as good, sound, clear-thinking, practical, realistic Americans as we all know that this program does not make sense?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman takes credit for the \$400 billion of national income. Will he tell us what it was in 1931?

Mr. GAVIN. Certainly the gentleman does not take credit, does he?

Mr. COOLEY. Of course, we do.

Mr. GAVIN. You cannot take credit for that.

Mr. COOLEY. Of course, we take credit for it.

Mr. GAVIN. Why does not the gentleman tell us what the national debt was back in 1932? It was about \$17 billion. Today it is \$280 billion and we have another \$4 billion deficit coming up for fiscal year 1955. Now, I would agree with the gentleman if we had paid our bills as we went along the way; it would be a contribution, but we did not. We just added on to the national debt until it reached \$280 thousand million; that is the legacy you are going to hand on to the boys and girls of tomorrow, one they will be paying for the next 100 years if it is ever paid. Why do you not think for a minute about the American consumer who pays the bill? He should be considered as well as anybody else.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. BOGGS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. GAVIN. May I ask my colleague if he is going to talk about the national debt of \$280 billion?

Mr. BOGGS. Yes, that is what I am going to talk about. Will the gentleman yield?

Mr. GAVIN. If the gentleman is going to discuss the \$280 billion debt, I will yield.

Mr. BOGGS. The gentleman would not answer the question asked by the gentleman from North Carolina. I would like to ask the gentleman a question.

Mr. GAVIN. Go ahead.

Mr. BOGGS. How much has the national debt been reduced in the last 3 years?

Mr. GAVIN. How much has it been reduced? With these kinds of programs, how do you think it ever will be reduced?

Mr. BOGGS. How much?

Mr. GAVIN. I decline to yield further.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Illinois.

Mr. MASON. The only time the national debt has been reduced—and it was reduced \$5 billion—was in the 80th Congress.

Mr. GAVIN. I thank the gentleman from Illinois. You know my good friends from the farm States, and you are my good friends, you remind me of the fellow that is always crying the blues carrying a ham under each arm.

So, therefore, I am appealing to you today to be thinking of your communi-

ties, your counties that you come from, the States you represent, to use good judgment and not be influenced in your thinking today from the standpoint of political expediency, whether you are Republicans or Democrats, but what is good for America, what is good for all the people of America, and exercise good, sound common sense and vote your convictions accordingly.

In closing I want to pay tribute to a great American, the Secretary of Agriculture, Mr. Benson. He is trying to do a good job to the best of his ability and to solve the complex and perplexing problems of agriculture. The vicious attacks that are made on him certainly are not warranted and are unjustified. He deserves our hearty commendations for his fine work. I think he is a great American trying to do a good job for the benefit of all the American people and for the future growth, progress and prosperity of our Nation.

Mr. THOMSON of Wyoming. Mr. Chairman, I move to strike out the last word.

Mr. HAYS of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Will the gentleman yield for a parliamentary inquiry?

Mr. THOMSON of Wyoming. Not at this time, Mr. Chairman.

Mr. HAYS of Ohio. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HAYS of Ohio. I thought it was customary to alternate from side to side.

The CHAIRMAN. The Chair has endeavored to recognize all gentlemen as rapidly as possible who desire to be heard. The Chair did not realize that the gentleman from Ohio wished to be heard at this time. He has already recognized the gentleman from Wyoming and trusts that the gentleman from Ohio will bear with the Chair.

Mr. THOMSON of Wyoming. Mr. Chairman, I would like to come back to the amendment before the House in regard to dairy products. The issue has been raised that the Republicans have not had a farm program, yet here is the place that we have had a farm program. In connection with that, I think we have a testimonial to that farm program by the gentleman from Texas, a member of the committee. When an attempt is made to put him under this price support law, what does he tell us? "No. Do not do that to me. I am in the business. you are going to ruin me. The dairy farmer is better off under flexible price supports than he was before, under 90-percent rigid supports. It is better for the farmer. We have increased production, and our prices are about the same." But then he says, "Wait a minute. You cannot apply that to the other basic commodities, because they have surpluses." This is what I would like to point out to you should have been added to his argument. What has been good under flexible price supports for the dairy farmer has been good for the Government. Unsold supplies of butter have been reduced from a peak of 467 million pounds last summer when we had high rigid price supports to the present figure of 262 million pounds under flexible price



supports. What has been good for the dairy farmer has also been good for the Government. It has been good for the people. I submit that if the same program is applied and is permitted to operate for the benefit of my wheat farmers and your wheat farmers and your corn farmers that program again will prove its effectiveness and will keep them from being forced off the farms. High rigid supports force the little farmer off the farms, as has been proved in connection with rice, cotton, and tobacco, where we have increased acreages even during this session of Congress; and I went along with that. Flexible price supports offer to remove the threat to my little wheat farmers of the same thing happening to them.

This Republican program has proved itself in the dairy industry.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. COOLEY. Is the gentleman in favor of the pending amendment or is he opposed to it?

Mr. THOMSON of Wyoming. I am opposed to the pending amendment.

Mr. COOLEY. The gentleman is opposed to the pending amendment?

Mr. THOMSON of Wyoming. That is right.

(Mr. THOMSON of Wyoming asked and was given permission to revise and extend his remarks.)

Mr. THOMSON of Wyoming. Mr. Chairman, I have listened to this debate on the floor of the House on fixed versus flexible price supports for basic farm commodities with attention and interest. The philosophies presented are diametrically opposed.

The problem of the House is to act in the best interests of the country in general, and the farmer in particular.

We are concerned with the price support on five basic crops, and since wheat is the only one of these crops that is raised in substantial quantities in Wyoming, I shall largely confine my remarks to that particular crop. It also happens that it is the crop that is probably of greatest concern to us today by reason of the greater accumulations of surplus. When we consider the production from the country as a whole, the amount of wheat raised in Wyoming is not of great significance. It is of great significance, however, to Wyoming, where it is one of our principal cash-farm crops.

We have heard many persuasive arguments. In fact, some are so persuasive as to lead us away from the fundamental basic principles on which I am sure we all agree. The farmer, like anyone else, depends upon net income for a living for himself and his family. It is that net income which is of most importance to him, and neither he, nor we, should be misled by talk of such terms as parity, gross national income, and so forth. Price times production, less expenses, equals net income, and no action this body takes is going to change that, and let us not forget it.

The distinguished gentleman from Texas, a member of the Agriculture Committee, in particular, spoke so persuasively that I caught myself becoming so impressed with the oratory that I

almost forgot to analyze what he said. He spoke of the comparative stability of the unit price of the basic commodities, and particularly wheat, over the past few years, as compared to the greater fluctuation in the unit price of other non-supported commodities. What was omitted was the fact that our wheat farmers are experiencing a 40 percent cut in production, which is the equivalent of a 40 percent cut in price. Under our basic formula of net income equals price times production, less expenses, this is the equivalent of receiving \$1.25 for the wheat, with no cut in production.

Wyoming wheat farmers, who cannot diversify to other crops, cannot live with this situation. We further cannot justify it when the great majority of the wheat which they are producing is of premium quality milling wheat of which there is no surplus but a shortage, as proven by the premium prices that they received last year in excess of support price. Yet to produce this wheat for which there is a demand, our farmers must pay 45 percent of parity as a penalty on the excess over their allotment.

I think the American farmer now sees the truth of the proposition, that we cannot have high price supports without having rigid Government controls. The law, by its provision for eventual controls, recognized this from its inception. Because of being bailed out by two wars, it took us over 15 years to work into this situation. It is true that we are not going to suddenly work ourselves out. Probably, we will have some controls during the time that we are bringing the surpluses, created by the past, within reasonable bounds. During this time, it is my sincere hope that we will recognize differences in quality, so as not to impose controls on production indiscriminately. If we must have controls, I hope we will consider allotments based on bushels that can be sold, and elimination of the Government storage program.

High, rigid price supports have brought about this problem. I fail to see how we can logically say that by their continuance we expect to solve the problem. Ninety percent price support did not bring us a price for good milling wheat over the support price. That was brought about by the law of supply and demand. The abandonment of high price supports is, as far as I can determine, the first necessary step toward doing away with acreage controls.

I cannot justify a program which is foreign to our basic American philosophy; a program which causes the farmer to produce for the Government, instead of for consumption; a program which has created surpluses, the storage on which runs over \$800,000 a day, and threatens soon to be over \$1 million a day, when that program, at the same time, is contrary to the best interests of the farmer because it brings about a drastic reduction in his net income. I urge the defeat of H. R. 12, which would restore the very condition under which our agricultural ills, as so ably presented by the proponents, have developed. Flexible price supports have been blamed for these ills before they really became effective. I urge that we give flexible price supports a fair trial.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had hoped to follow the distinguished gentleman from Pennsylvania [Mr. GAVIN] because it was a great revelation to me to hear him display his wide range of knowledge on the agricultural question. I had not realized that he knew so much about it. The only agricultural product I ever heard him talk about before was on the 2d of February when he usually talks on the care and raising of groundhogs.

The gentleman finished his statement with praise for the Secretary of Agriculture. I would like to point out to him that delivering the American farmer to the present Secretary of Agriculture is just like delivering the gentleman's Punxsutawney groundhog to the middle of the Atlantic Ocean and dropping him in.

Mr. GAVIN. Or into the gentleman's own district.

Mr. HAYS of Ohio. That would be worse for him, because we would realize that he was a fake groundhog. The Republicans had gotten Mr. True D. Morse to come up to my district last year to do a little political campaigning. He spent the best part of 3 days out there defending this program and attacking me for not supporting it. Mr. Morse is the man who, according to the newspapers, says that the trouble with the American farmer is that there are too many of them, they are inefficient, that we ought to get rid of a good percentage of them, and that we ought to have the efficient corporate type of farm. I followed Mr. Morse around my district and I pointed out to him and to the people that in the one country where they had attempted collectivized farming and had done away with the one-family farm, as he seems to advocate, they were starving or nearly starving and were not producing agricultural products, and their people were semihungry. Of course, I realize that some people here are saying that there are no political implications in this, but there are political implications and I would like to point one out. After Mr. Morse got through campaigning, especially in this one county in my district, they had an election the next week. I had the pleasure of calling him up a couple of days after the election and telling him that I always like to give credit where credit is due and since he had spent about 2½ days in this particular county, I thought it was only fair to let him know that for the first time since 1852 a Democrat had carried that county for Congress. That is how he succeeded in selling the program to the people upon whom it operates.

When a dairy farmer is getting 6 cents a quart for milk—and many of them were getting 6 cents a quart or less last year—they are not very enthusiastic about 75 percent of parity. I do not consider the Wall Street Journal to be an outstanding agricultural newspaper, but it gave about as good a definition of parity as I know. The Wall Street Journal said that 100 percent of parity is 100 percent of a fair price. It would follow then, that 90 percent of parity is 90 per-



cent of a fair price, and 75 percent of parity for a dairy farmer is three-fourths of a fair price.

The only thing that I objected to about the political situation was 2 years ago or 3 years ago when the Democrats seemed to be a little bit on the cheap side, because with the Democrats promising about 90 percent of parity, some Republican speech writer got the bright idea—apparently he had studied higher mathematics—that 100 percent was more than 90 percent. He wrote a speech about 100 percent of parity which was delivered out at Kasson, Minn. That was on the stump. But after the administration came into power Mr. Benson, the Secretary of Agriculture, said that while 100 percent of parity might be good in the political campaign, 75 percent of parity would be sufficient when you come to put it into action.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I take it the gentleman is supporting my amendment?

Mr. HAYS of Ohio. I certainly am.

Mr. LAIRD. Does not the gentleman agree that the Secretary of Agriculture had no other alternative in view of the Solicitor's opinion last year, or does he think the Solicitor's opinion was in error and it does require action by this Congress to set that minimum floor?

Mr. HAYS of Ohio. I would answer that as I did the President at lunch one day. When I asked him how his cattle were getting along on his farm he said he had to sell them because the Attorney General said he should not be in the dairy business if he was making decisions that would affect the dairy industry. I said, "If I am elected President I'm not going to sell my cows." He said, "What would you do?" I said, "In that case, I guess I'd have to get a new Attorney General."

So perhaps your solution is a new Solicitor.

Mr. SCOTT. Mr. Chairman, I move to strike out the last word.

(Mr. SCOTT asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Chairman, will it be something new if I admit in the beginning that I am not a farm expert, and I suspect there may be other Members of the House in the same category? I am perfectly aware of the fact that certain other members of the body politic and of the electorate are not farm experts. I represent approximately the same number of people interested in this bill as are represented by any other Member. Those people are the consumers of this country.

In my city of Philadelphia, our share of the cost of the more than \$7 billion already overhanging the market in farm surpluses is in excess of \$75 million. That amount of money which we are on the hook for in Philadelphia, even with our present extravagant city administration, would run the city for a good part of the year. Therefore, we have an interest in the program. We

have an interest in the fact that the Government now has enough wheat to give every man on earth 15 loaves of bread; enough cotton to clothe 40 million Americans for a year; enough dry milk to give every American 3 quarts of fresh milk; enough corn to supply every United States family for 5 months; enough butter to supply every United States family for over 2 months.

More than that, my city and the people of my city do not like the fact that this program is for the benefit neither of themselves nor of the average small farmer, because they know that 91 percent of our farmers received less than half of those price-support payments. They know that 1.9 percent of our farmers got more than 25 percent of the total price-support benefits in this high-support, big-farmer bill. They know that 9 percent received in excess of 50 percent of the benefits.

The Governor of our great State is in town today. I have found it necessary to say that I am not able to go downtown to visit with him while he discusses the problems of Pennsylvania, because I think my job is to stay up on the Hill and discuss the problems of Pennsylvania where we have a chance to do something about them. All he is doing about the consumer is to propose the most discriminatory and outrageous and irresponsible wage-tax program in the history of our State. Gov. George Leader's administration learns nothing from the ill-fated George Earle's governorship. George II is giving us worse government than George I, with taxes more oppressive than George III. To call away from attendance on the floor of this House a great many Members who ought to be here right now fighting the fight of the consumer to reduce the cost of living in the State of Pennsylvania and in the city of Philadelphia is another instance of irresponsibility in Government. So I do not have time for lunches downtown and for talks that take people away from legislative duties at a time when we have problems like this to work out.

I submit as a consumer it seems to me we cannot delay longer in attempting to build farm and food programs in line with the welfare and interests of the consumers and producers alike, because the 149 million nonfarm people in our land are certainly conscious of and concerned with what happens to agriculture. They will go along with a reasonable price-support program that serves all the people, but they are becoming more and more alert against anything that discriminates against them. They do not want to see food stored out of their reach or to see products that they might like to have such as butter, eggs, and potatoes stored to the point where they spoil and are wasted. And just as the farmers would probably say to us that he doesn't want the laborer to have unemployment insurance so high that he will no longer have the incentive to work, neither does the housewife want the farmer's price support or price protection at a level where it is an incentive for him to produce far more than we can

consume. There is an extremely delicate balance in our economy, and if that balance is not maintained, it is the taxpayer who pays for it, and he is entitled to get his money's worth. The welfare of the consumers and the farmers is closely tied together. Neither one can long expect to profit at the expense of the other. Together we will move forward to higher standards of living by promoting their common interest and by working always for the best interest of the whole American Nation. Most consumers recognize, I believe, that the Nation needs a farm program to help keep agriculture sound, productive and prosperous. Housewives know that agricultural abundance is important to them because it provides the food and fiber for the health and happiness of their families. Many consumers also recognize the need for price supports to keep farm price and farm incomes from falling at times when supply and effective demand get out of balance. But what virtually all consumers do not understand are some of the obvious inconsistencies of the price-support program. They do not understand why some farmers, mostly big co-operative farmers should benefit for not producing.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last word and rise in support of the Laird amendment.

Mr. Chairman, I regret to impose myself upon the good graces of the membership, and I will try not to use the entire 5 minutes.

I have always been a firm friend of the rigid-support program for agricultural products. I voted for the rigid-support program last year as against flexible supports even in spite of certain deficiencies and shortcomings in the bill. It makes it rather difficult for me to support a program of rigid supports coming from a district such as I represent where the winters are very long and the pasture season is very short. We have a very long inside feeding period in northern Wisconsin.

The inside feeding period for dairy cattle in the area from which I come extends to in excess of 7 months. The cost of wheat and corn is important in feeding costs. It is rather difficult for me, in spite of the fact that in the past I have always supported the rigid-price-support program, to do so because when we support corn and wheat at 90 percent of parity and let dairy products drop to from 75 percent to 80 percent of parity, it means that we are legislating here to keep the feeding costs of dairy farmers in my district high despite the fact that the price that they get for the products that they produce under a flexible program is very low. I think the addition of dairy products as a basic commodity would strengthen this bill. I think you will gain many friends for the final passage of this bill, if dairy products are included as a basic commodity.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.



Mr. JOHNSON of Wisconsin. Along with the gentleman from the 10th District of Wisconsin, I also voted last year against flexible farm price supports and for rigid supports at 90 percent of parity.

I might state to the gentleman from the 10th that in the House Agriculture Committee meeting of March 8 we tried to get 90-percent supports for dairy products without quotas or controls. After this motion lost, I offered an amendment to support dairy products at 85 percent of parity without quotas or controls.

On the vote, which lost by 14 to 13, I had the support of 10 Democrats and 2 Republicans in addition to my own vote. Eleven Republicans and three Democratic members of the committee voted against my motion.

I have introduced a bill, H. R. 4360, which provides for quotas and controls. I shall support the present amendment for 90 percent. I am in the same position as the gentleman from the 10th District. If we are unsuccessful in passage of this amendment, I wonder if the gentleman will support me in my effort to make dairy products a basic commodity if the dairy farmers of the United States want such a program with the same procedure for controls and quotas that apply to other basic commodities.

Mr. O'KONSKI. I think so. I think one of the reasons for the illness in the dairy industry is the lack of marketing quotas. I think one of the basic reasons why the dairy industry is in the pinch and the mess it is in today is because we have not had these controls.

For instance, whenever a farmer in Kansas was cut down on his wheat acreage, he turned those acres into a dairy farm. As the acreage was cut for the wheat farmer and the corn farmer and the tobacco farmer, they turned those acres into dairy farms. If we had controls to prevent those people from going into the dairy business on the side, we would not have the difficulty we have today. I do not believe we should have 90 percent of parity and pile up surplus upon surplus. I want to be reasonable about this. I think if we do have dairy products included in this bill as a basic commodity, that we also ought to have the Department of Agriculture work out a system of quotas, because it is the only way in which we could operate within reason.

Mr. JOHNSON of Wisconsin. I thank the gentleman.

My purpose in introducing that legislation was to find out what the farmers

in the dairy area really wanted, so that we could have hearings and determine just what they wanted. If the dairy farmer does not want it, I would be the last one to urge it.

Mr. O'KONSKI. In conclusion, I repeat and emphasize that you would strengthen support behind this bill in its final passage if you would adopt the Laird amendment to include dairy products as a basic commodity.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. O'KONSKI] has expired.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word. I am not a member of the Committee on Agriculture, but I have been around here for the past 2 days hoping to say a few words on this particular bill.

Before making the two points I wanted to make, I did want to ask the gentleman from Ohio [Mr. HAYS], who I regret did not yield to me, to supply the statement that he quoted Mr. True D. Morse, Assistant Secretary of Agriculture, as having made. I have heard Mr. Morse's views on this subject, and they do not coincide with the views which the gentleman from Ohio [Mr. HAYS] expressed. So if he would supply for the RECORD the speech of Mr. Morse to which he has referred, or state specifically where the quotation comes from, perhaps we could clear up that misunderstanding, because I am certain that Mr. Morse recognizes the position of the small farmer in this country and is very much interested in his welfare.

Secondly, I want to refer to some remarks made by the gentleman from New York [Mr. MULTER] about the position of some of us on the left side of the aisle, and I include myself among them, with regard to the peanut amendment. I would be glad to express my viewpoint on it. I think many others share the same view.

I am opposed to this rigid support bill and will vote against it. I am also in favor of eliminating peanuts as a basic crop. I do not believe it should ever have been there. I am therefore trying to correct a bill that is more to my liking. If we can eliminate peanuts, I think we can have the bill in much better shape. On the other hand, I think the more serious issue involves rigid supports, and therefore I would vote against the bill and hope that sometime later we could take care of the peanut situation. I think such a position is consistent.

I want to call the committee's attention to one very important aspect of this

farm question that has not been discussed in the entire 2 days of debate on this matter, nor was it mentioned in the committee report. In order to do that I am going to refer to my supplemental views that appeared in the report of the Joint Committee on the Economic Report in regard to the agricultural situation.

I said this:

The committee report discusses a decline in farm income. The matter of immediate concern to our people is per capita farm income, not total farm income as long as farm production continues to rise and meet the demands of our population. Per capita farm income has increased in the past few months and seems to be rising. Farm population is continuing to decline which lies at the base of the foregoing economic fact. Of course, in a proper appraisal of the economics of our society the ratio of farm income to national income is an important factor. However, the ratio has been declining since pre-Revolutionary days as our society has continued to industrialize. I believe we can expect the ratio to continue to decline. What is of immediate concern, however, is the fact that per capita farm income has not been rising to the same extent that per capita national income has.

Actually per capita farm income is the real issue. Back in 1789 the percentage of farm income to our national income was around 90 percent; today it is around 5 percent. But the percentage is going to decline as we continue to industrialize.

The second point I want to make concerns the small farmer. All this talk on the floor in behalf of the small farmer, of course, meets with my deepest interest and I am deeply concerned about it, but I want to point out something about these price supports. Last year 1.9 percent of the farmers of this country got 25 percent of these supports.

Nine percent of the farmers of the country got over half of the dollars that the Federal Government paid out. Those are not small farmers, Mr. Chairman. If you will refer to a table put in the RECORD of July 1, 1954, page 8997, by the gentleman from Indiana [Mr. BROWNSON], when we were considering a bill to support agricultural prices you will get a picture of it. Sixty-four farmers received over \$100,000 in support. Two of them received over a million dollars.

That is what is happening under this rigid price farm program, the bulk is going to the larger farmers. I am inserting into the RECORD the table showing the producers with the largest quantity of corn, wheat, and cotton under loan, 1953 crop:

*Producers with largest quantity of corn, wheat, and cotton under loan, 1953 crop*

| Name and address of producer        | Quantity under loan | Amount of loan | Name and address of producer               | Quantity under loan | Amount of loan |
|-------------------------------------|---------------------|----------------|--------------------------------------------|---------------------|----------------|
| ALABAMA                             |                     |                | ARKANSAS                                   |                     |                |
| COTTON                              |                     |                | WHEAT                                      |                     |                |
| J. B. Hahn & Co., Sardis.....       | 989 bales.....      | \$178, 171.35  | Wesson Farms, Inc., Victoria.....          | 88,756 bushels..... | \$209, 034.31  |
| J. A. Minter & Son, Tyler.....      | 816 bales.....      | 146, 525.75    | COTTON                                     |                     |                |
| ARIZONA                             |                     |                | B. C. Land Co., Leachville.....            | 2,291 bales.....    | 412, 361.10    |
| COTTON                              |                     |                | St. Francis Valley Farms, Marked Tree..... | 1,067 bales.....    | 192, 072.15    |
| Bogle Farms, Chandler.....          | 1,870 bales.....    | 503, 908.11    | Lee Wilson & Co., Wilson.....              | 875 bales.....      | 152, 462.98    |
| B. F. Youngker, Buckeye.....        | 1,911 bales.....    | 298, 129.46    | Roy Chaney, Coy.....                       | 881 bales.....      | 103, 499.10    |
| J. G. Boswell, Litchfield Park..... | 406 bales.....      | 198, 972.82    | L. W. Rodgers, West Memphis.....           | 577 bales.....      | 102, 191.50    |



## Producers with largest quantity of corn, wheat, and cotton under loan, 1953 crop—Continued

| Name and address of producer              | Quantity under loan  | Amount of loan  | Name and address of producer                                               | Quantity under loan                         | Amount of loan                 |
|-------------------------------------------|----------------------|-----------------|----------------------------------------------------------------------------|---------------------------------------------|--------------------------------|
| <b>ILLINOIS</b>                           |                      |                 | <b>COLORADO</b>                                                            |                                             |                                |
| <b>CORN</b>                               |                      |                 | <b>WHEAT</b>                                                               |                                             |                                |
| Lester Pfister, El Paso.....              | 71,712 bushels.....  | \$116, 173. 44  | J. H. and N. M. Monaghan Farms Co., Derby Box Elder Farms Co., Denver..... | 157,443 bushels.....<br>71,939 bushels..... | \$338, 535. 55<br>171, 801. 82 |
| <b>INDIANA</b>                            |                      |                 | <b>IDAHO</b>                                                               |                                             |                                |
| <b>CORN</b>                               |                      |                 | <b>WHEAT</b>                                                               |                                             |                                |
| Emil Savich, Rensselaer.....              | 102,648 bushels..... | 166, 289. 76    | Merritt Meacham & Sons, Culesac.....                                       | 85,842 bushels.....                         | 172, 677. 00                   |
| <b>IOWA</b>                               |                      |                 | A. E. Bott, Newdale.....                                                   | 66,294 bushels.....                         | 109, 158. 00                   |
| <b>CORN</b>                               |                      |                 | Ira McIntosh and Sons, Lewiston.....                                       | 55,978 bushels.....                         | 112, 401. 00                   |
| Adams Bros. & Co., Odebolt.....           | 124,800 bushels..... | 190, 944. 00    | <b>NORTH DAKOTA</b>                                                        |                                             |                                |
| <b>KANSAS</b>                             |                      |                 | <b>WHEAT</b>                                                               |                                             |                                |
| <b>WHEAT</b>                              |                      |                 | Wittman Co., Mohall.....                                                   | 58,850 bushels.....                         | 127, 281. 48                   |
| Carl Smith, Goodland.....                 | 64,277 bushels.....  | 139, 237. 00    | <b>OREGON</b>                                                              |                                             |                                |
| Fred Schields, Goodland.....              | 57,669 bushels.....  | 125, 198. 00    | <b>WHEAT</b>                                                               |                                             |                                |
| Garvey Farms, Colby.....                  | 43,132 bushels.....  | 104, 263. 00    | Cunningham Sheep Co., Pendleton.....                                       | 124,002 bushels.....                        | 270, 607. 00                   |
| <b>LOUISIANA</b>                          |                      |                 | Hill Ranches, Pendleton.....                                               | 85,858 bushels.....                         | 178, 070. 00                   |
| <b>COTTON</b>                             |                      |                 | Marion T. Weatherford, Arlington.....                                      | 84,304 bushels.....                         | 197, 939. 00                   |
| Ray P. Oden, Shreveport.....              | 876 bales.....       | 153, 339. 43    | E. R. McCashe, La Grande.....                                              | 57,184 bushels.....                         | 116, 631. 00                   |
| <b>MISSISSIPPI</b>                        |                      |                 | H. A. Miller, Bond.....                                                    | 51,756 bushels.....                         | 119, 445. 00                   |
| <b>COTTON</b>                             |                      |                 | <b>SOUTH CAROLINA</b>                                                      |                                             |                                |
| Delta & Pine Land Co., Scott.....         | 7,220 bales.....     | 1, 269, 492. 66 | <b>COTTON</b>                                                              |                                             |                                |
| O. F. Bledsoe Plantation, Greenwood.....  | 2,328 bales.....     | 394, 351. 03    | McColl Realty Co., Bennettsville.....                                      | 1,293 bales.....                            | 208, 475. 24                   |
| B. F. Harbert & Co., Robinsonville.....   | 1,889 bales.....     | 359, 204. 39    | <b>SOUTH DAKOTA</b>                                                        |                                             |                                |
| Sturdivant, Yandell & Wilburn, Vance..... | 1,061 bales.....     | 191, 256. 48    | <b>WHEAT</b>                                                               |                                             |                                |
| Circle X Plantation, Indianola.....       | 1,127 bales.....     | 183, 371. 69    | J. E. Cbeck, Pierre.....                                                   | 46,150 bushels.....                         | 101, 530. 00                   |
| <b>MISSOURI</b>                           |                      |                 | <b>TENNESSEE</b>                                                           |                                             |                                |
| <b>COTTON</b>                             |                      |                 | <b>COTTON</b>                                                              |                                             |                                |
| E. P. Coleman, Sikeston.....              | 3,655 bales.....     | 643, 093. 37    | H. S. Mitchell, Millington.....                                            | 597 bales.....                              | 109, 277. 77                   |
| <b>MONTANA</b>                            |                      |                 | <b>TEXAS</b>                                                               |                                             |                                |
| <b>WHEAT</b>                              |                      |                 | <b>WHEAT</b>                                                               |                                             |                                |
| U. S. Wheat Corp., Hardin.....            | 184,516 bushels..... | 348, 646. 20    | W. T. Waggoner Trust Estate, Box 2130, Vernon.....                         | 73,087 bushels.....                         | 175, 660. 71                   |
| H. B. and Allen Kolstad, Chester.....     | 116,118 bushels..... | 232, 527. 90    | <b>COTTON</b>                                                              |                                             |                                |
| J. R. Katzenberger, Highwood.....         | 50,875 bushels.....  | 101, 982. 80    | Ralph Farms, San Elizario.....                                             | 1,096 bales.....                            | 323, 686. 78                   |
| Roy Killenbeck, Scobey.....               | 48,639 bushels.....  | 101, 675. 83    | J. E. Porter, Caldwell.....                                                | 1,293 bales.....                            | 208, 139. 36                   |
| <b>NEW MEXICO</b>                         |                      |                 | Carl Clawson, Lubbock.....                                                 | 1,209 bales.....                            | 201, 492. 05                   |
| <b>COTTON</b>                             |                      |                 | Dooley & Hendricks, Roscoe.....                                            | 1,210 bales.....                            | 201, 007. 43                   |
| Hayner Ranch, Las Cruces.....             | 1,080 bales.....     | 177, 836. 37    | Claude Collins, Jr., and S. Y. Wilson, 3135 Wheeling Street, El Paso.....  | 694 bales.....                              | 162, 875. 03                   |
| Thigpen & Funk, Lake Arthur.....          | 890 bales.....       | 149, 009. 93    | <b>WASHINGTON</b>                                                          |                                             |                                |
| J. P. White, Jr., Roswell.....            | 764 bales.....       | 139, 704. 31    | <b>WHEAT</b>                                                               |                                             |                                |
| Hal Bogle, Dexter.....                    | 801 bales.....       | 131, 510. 28    | Horrigan Farms, Prosser.....                                               | 152,840 bushels.....                        | 354, 339. 00                   |
| Bowman & Son, Artesia.....                | 761 bales.....       | 126, 112. 63    | Horrigan Investment Co., 1411 4th Ave. Bldg., Seattle.....                 | 92,382 bushels.....                         | 201, 832. 00                   |
| <b>CALIFORNIA</b>                         |                      |                 | E. C. Hay, Tekoa.....                                                      | 87,376 bushels.....                         | 178, 196. 00                   |
| <b>WHEAT</b>                              |                      |                 | The Sheffels Co., Govan.....                                               | 86,294 bushels.....                         | 182, 756. 00                   |
| Jackson & Reinert, Paso Robles.....       | 68,471 bushels.....  | 147, 007. 24    | Don Damon, Cunningham.....                                                 | 85,262 bushels.....                         | 182, 717. 00                   |
| <b>COTTON</b>                             |                      |                 |                                                                            |                                             |                                |
| Giffen, Inc., Huron.....                  | 7,314 bales.....     | 1, 246, 516. 46 |                                                                            |                                             |                                |
| Charles Schwartz, Stratford.....          | 3,947 bales.....     | 604, 321. 89    |                                                                            |                                             |                                |
| Wheller Farms, Bakersfield.....           | 3,373 bales.....     | 499, 008. 22    |                                                                            |                                             |                                |
| Roberts Farms, McFarland.....             | 2,910 bales.....     | 456, 133. 74    |                                                                            |                                             |                                |
| A. Shrier and Sons, Delano.....           | 2,785 bales.....     | 440, 695. 56    |                                                                            |                                             |                                |

Ninety-one percent of our farmers are getting less than 50 percent of the price-support benefits. I think it is time that we begin thinking in terms of big farmer and little farmer just as we have for some time been thinking in terms of big business and little business. I mean thinking in fair terms—not to make a villain out of the big farmer as some try to do out of big business. There is a proper and good place for both big and small organizations in our economy but big and small have different problems which need to be considered somewhat separately.

I suggest that the Agriculture Committee make an analysis of this price-support program, whether flexible or rigid, and just see who is coming out on top, big or little farmer. After this study is made perhaps more light and

less thunder will demonstrate just which program really is for the little farmer.

In the meantime, I suggest the statistics reveal that the present program essentially benefits the large operator. It is from him that the great surpluses are generated which hurt the little fellow. Secretary Benson's program should be given a chance to operate and this untimely bill defeated.

(Mr. CURTIS of Missouri asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that debate on the pending amendment be limited to 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Chairman, I think if we are all frank with ourselves we will acknowledge that this bill is here before us for only one purpose, that is to put the Members on record. I think we all recognize it has no chance of becoming law. We know it is certainly in opposition to any program of the President, that certainly the President is going to veto it. There will be a close vote here in the House on passage. There is a serious question as to whether it will pass the House. These



facts have been known all along by the chairman of the committee and the supporters of the bill. It has been announced that the other body either will not consider it or it will be defeated there. So what we are doing here is just to put the Members on record for political purposes.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BASS of Tennessee. Would the gentleman suggest that the President would veto a measure that he endorsed during his campaign for the Presidency?

Mr. BYRNES of Wisconsin. He certainly did not endorse it. We went all through that last year. The gentleman was not a Member of the House last session but if he will read the RECORD of last session the answer to his question will be very clear. Mr. Chairman, I do not yield further. The President's position is very clear.

Now, as long as we are going to go on record let me make my position very clear. I believe it is essential to the success of any farm price-support program, if it is to function in peacetime, that it be on a flexible basis. I also believe, however, that this is an appropriate time, since we are going on record as far as price levels on the so-called basic commodities are concerned, to have the record clear with respect to the support level for milk. We in Wisconsin only last fall, very few months ago, heard speech after speech by representatives of the Democrat Party and Democrat candidates for office insisting that the support price for milk should be 90 percent and even going to the extent of saying that it should be 100 percent. Some of these speakers were Democrat Members of Congress imported from other States.

The gentleman from Wisconsin [Mr. LAIRD], in his amendment simply says that dairy products should be supported at the same level as basic commodities. The issue now is crystal clear.

The question is, What is the present position of these men who were making those speeches a few months ago? I think the Laird amendment and the opposition to it by the Democrat spokesmen certainly dramatizes the inconsistency and the insincerity which characterized the various speeches they made during last year's political campaign. When they were making political speeches they were for 90 percent, and even 100 percent, for the dairy farmers. Let me mention to some of my friends on the other side of the aisle that then there was no reference to controls, there was no reference to regimentation in connection with this right of the dairy farmer to have 90 percent or 100 percent. That is a new gimmick that they now rely on to defeat the Laird amendment. They have a chance right now to make good on their promises and their word. Let it be known to the dairy farmers that these men who posed as their great friends last year, are today running out on them. Today they are singing a different tune.

(Mr. PHILBIN asked and was given permission to extend his remarks fol-

lowing those of Mr. BYRNES of Wisconsin.)

Mr. PHILBIN. Mr. Chairman, there is unquestionably a very great dilemma concerning this legislation. I can well understand and deeply sympathize with the problems of those who represent farming areas in the Middle West, the West, and the South. They have reason to be concerned with the declining farm income even though the reduction has not reached very significant proportions.

With due respect for their views, I do not believe that the measures they now propose to be a panacea for their own economic problems are at all helpful; indeed, they would be undoubtedly harmful to the interests of the consumers, the taxpayers, and the Nation as a whole.

The process of providing huge Government funds to support certain commodity prices at artificial levels, stimulating production beyond normal needs and piling up gigantic surpluses in our warehouses to deteriorate and rot—as they often do—strikes me as being grossly violative of both economic and moral law. I read a report the other day that the daily cost to the Government of storing these great surpluses in warehouses would soon reach the staggering figure of \$1 million per day, or in the neighborhood of \$365 million per year. This, I submit, is a truly fantastic situation, and frankly it must give us all cause to pause and ponder on the remedies and the solutions for such deplorable waste of precious foodstuffs and such paradoxical storage expense.

How much farther can we go along the road of rolling up these enormous surpluses? If we continue commodity price supports, how soon will our warehouse space be exhausted? Are we to take action here to store as yet unmeasured and unascertained quantities of foodstuffs to waste, to degrade, and to rot? Of course, such a result in an intelligent, civilized society is shockingly preposterous.

Now what is the next alternative? The first is to give these commodities away to needy foreign peoples. There is considerable humanitarian validity to this proposal. It would be far better to give them away than to let them spoil and rot. But we have to consider the impact of such programs on other economies and the world market and the very heavy transportation costs that would have to be borne by this Government in carrying out such a program. It is a matter requiring very careful consideration.

While the disposal of the surpluses is a matter of very considerable urgency which should be consummated as soon as practicable, in the long run it will be of no appreciable advantage to eliminate existing surpluses if we, on the other hand, as proposed by this bill, by Government fiat and at Government expense, continue to accumulate steadily new and growing surpluses.

The advocates of the bill complain that there is a farm recession so-called, that farm prices and farm income have gone down substantially since 1951. During practically this entire period a high par-

ity bill has been in effect; hence, it is hard to understand how and why a return to the high-parity principle would be beneficial in correcting these alleged undesirable conditions.

I would remind the House that farm areas are not the only areas in the Nation that have been beset by some degree of recession. Although we have more people gainfully employed than ever before in peacetime—for which fact we can be most grateful—that is indeed a most inadequate answer to give to the very many unemployed who have lost their jobs and are currently without means of support for themselves and their families except what they receive in the form of social-security benefits or direct relief.

To make the status of workers and businesses in industrial areas worse, the reciprocal trade treaties are pouring cheaply produced foreign goods into the competitive markets of America to disrupt business further and create additional unemployment.

The plain evidence reaching me indicates that present price supports on peanuts are working great damage and hardship upon certain segments and a considerable number of industrious workers in the New England and general candy business.

The able distinguished gentleman from Massachusetts, my friend and esteemed colleague [Mr. O'NEILL], has pointed out with consideration, elaboration, and unanswerable arguments the harmful effects of the high priority support of peanuts upon prosperity and employment in the candy business in his district. I am therefore, in eager support of the Green amendment to remove supports from prices on peanuts.

Not for one moment would I minimize the seriousness or the difficulty of these problems. I am not completely convinced that the flexible program is a complete answer. My attitude is in a distinct measure that of a realist who, recognizing that past policies have not succeeded in solving these great economic questions is now willing to try another plan, which on its face appears to be sound and practicable, in the hope that upon trial and test it may prove to be in the direction of a tolerable and substantial solution.

Any plan to peg prices of food and fibers artificially is bound to produce serious effects upon consumers and small farmers as well as upon the functioning of our entire distributive system. It throws out of joint and out of gear the regular machinery of the free-enterprise system by interfering with fundamental economic law. Let me assert that I am not contending that there are no conditions under which the Government should so interfere when the general and national interest requires, but that such action should not be taken in peacetime and in normal circumstances as a substitute for the natural forces and factors which lie at the base of our great competitive system. In a word, I do not argue against proper, well-considered regulation of the abuses and excesses that may develop in our capitalistic society. But I am, in general, opposed



to governmental tampering and meddling with basic economic laws and with affairs and activities which under our traditional American system are peculiarly the province of the individual citizen and individual businessman. Cooperation may be a benefit, but regimentation of the economy may well prove to be a hazard and a detriment.

It is my view that the flexible plan may, by fair administration, by eliminating extremes, by coping more realistically with current farm problems, by tackling disposal of surpluses, perhaps extend more adequate protection to consumers, taxpayers, and small farmers, reduce costs, keep prices stabilized in relation to wages and income and also perhaps—and I must qualify my opinion—in time satisfactorily work out the problems of overproduction and surpluses which cause us such concern and occasion us such great expense in the present hour.

At least the Congress should try an alternative to a program that has generated so many expensive and intolerable consequences. We want our farmers and all other classes in our great Nation to be prosperous. Above all we should be resolved never again in this Nation to permit recessionary forces to gain mastery over our economy and cause dislocation, unemployment, and hardship among our fellow citizens.

Mr. KNOX. Mr. Chairman, I rise in support of the Laird amendment which will bring some relief to that segment of the agriculture industry, the dairy industry, which to me is the most depressed industry in the entire agricultural field.

H. R. 12 as recommended by the committee, in my opinion, is highly discriminatory. The Laird amendment which we now have before us under debate would take a great deal of the discrimination out of the bill. If there is justification for the five basics; corn, wheat, rice, cotton, and peanuts, to have a 90 percent of rigid parity, then the same consideration should be given to dairy products.

Mr. Chairman, I believe you are cognizant of the fact that the basic ingredients used in the manufacture of dairy feeds for the production of milk are basically wheat, corn, and cottonseed meal. If we are going to adopt 90 percent of parity on the five basics, then there is every reason in this world, and it is highly justifiable, to adopt the Laird amendment so dairy products will receive the same parity rating as the aforesaid basic commodities. I cannot believe that this Congress is going to pass legislation which would require the dairy farmer to pay the high basic price for dairy feeds to be manufactured through the cow into dairy products, and expect the dairy farmer to market his dairy products at 80 percent of parity.

I am supporting the Laird amendment and should it be adopted, I would then vote for the bill. If the Laird amendment is defeated, I shall oppose the passage of the bill because of its rank discrimination against the dairy farmer.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, as has been indicated, the substance of this amendment was carefully considered by the House Committee on Agriculture and was rejected by a very substantial vote, according to my recollection. I know of the great interest of the gentlemen from Wisconsin, Minnesota, and other States in the problems of the dairy farmer. I have never heretofore favored and never shall hereafter favor high supports on the unlimited production of any commodity. Whenever the dairy farmers are willing to accept some sort of control of production, I certainly will be very much interested in trying to work out a program or in assisting in working out a program in their behalf. It seems to me that we must realize we are in a bad situation now so far as the dairy industry is concerned because of the fact that for 14 long months Mr. Benson held the price at 90 percent of parity when he could have lowered it at any time from the very moment he took over office.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. In my remarks earlier today there was no inference that the gentleman was the one who had come in and advocated that type of support for dairy products in Wisconsin. But it did become quite a political issue in our State and I think we should bring it out on the floor today so that all the facts can be presented and be made a part of the record.

Mr. COOLEY. I agree with the gentleman, perhaps it did become a political issue, but we should not deal with it as such here. Some of the best friends of the dairy farmer are members of our committee. At all times I have had an open mind and have tried to be helpful. We did report out this year an 80-percent-price-support program for dairy products. We have that in the bill now.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Does not the gentleman think that possibly if he would accept this amendment he might pick up a few votes?

Mr. COOLEY. It has been suggested that might happen, but I am not willing to surrender my own views on this matter to gain a few votes over there.

Mr. Chairman, I hope that the pending amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The question was taken; and on a division (demanded by Mr. LAIRD) there were—ayes 39, noes 58.

So the amendment was rejected.

Mr. POLK. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. POLK to the committee amendment: Page 13, line 1, strike out "two" and after the word "ending", insert "on or before June 30," and on line 2, strike out "in 1957 and" so that the amended phrase reads "not to exceed \$15 million for

each of the fiscal years ending on or before June 30, 1958."

Mr. POLK. Mr. Chairman, I shall endeavor to avoid using all of the time. This amendment which refers to the brucellosis section of the bill has one purpose, and that is to make sure that the brucellosis program will be continued for the years 1956, 1957, and 1958. I have discussed this amendment with the ranking minority member of the committee; I have also discussed it with the chairman of the committee.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POLK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The purpose of the amendment, which I am supporting, is to do exactly what the Committee on Agriculture intended to be done, to continue this brucellosis eradication program for the years 1956, 1957, and 1958.

Mr. POLK. The gentleman is correct.

Mr. AUGUST H. ANDRESEN. The amendment should be agreed to, because it was unanimously approved in our committee.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POLK. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to agree with the observation just made and say I am in favor of the amendment offered by the gentleman from Ohio and hope it will be adopted.

Mr. POLK. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Polk].

The amendment to the amendment was agreed to.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word. My innate modesty prevents a request to speak for 5 additional minutes.

Mr. Chairman, H. R. 12, which is under consideration, calls for the continuation of a policy which experience shows has failed to remedy the situation it was designed to correct, and the enactment of which inevitably will intensify the ills we seek to avoid. Too much efficiency has resulted in a surplus of farm commodities.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. ARENDS. Inasmuch as the gentleman just made a statement that he would like 5 additional minutes, I ask unanimous consent that he be permitted to proceed for 5 additional minutes.

Mr. HOFFMAN of Michigan. I did not request the additional time, but am grateful, and if it is given, will not only accept but attempt to use it to some advantage.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. CHRISTOPHER. I object, Mr. Chairman.



Mr. HOFFMAN of Michigan. Permit me to advise the Chair that upon the conclusion of my 5 minutes, a preferential motion now at the desk will be offered. That, may I say to the gentleman from Missouri [Mr. CHRISTOPHER], will give me the 5 minutes to the granting of which he objected.

Because, too efficiently during the war and since, the farmers answered their country's call for production, they are now taking an unmerciful beating.

Wages, salaries of Government officials and employees, of industrial employees and farm labor, are ever increasing. Farmers are receiving less and less for what they produce, paying more and more for what they must buy.

Farmers of the Midwest—I personally know no others—are honest, hardworking, loyal, patriotic citizens, willing to make sacrifices. They are law-respecting, law-abiding, independent citizens. They ask nothing except fair treatment, opportunity to exercise their independence as well as their ability. They want only "equal justice under law," a return to sound policies which will make secure for coming generations the rights which they have enjoyed.

Being informed individuals, farmers know that, as of April 20, 1955, the value of the surplus commodities which they have produced and which today are held by the Government—paid for by the taxpayers—was more than \$4,406,928,000.

They know that the monthly storage charge is upwards of \$23,600,000. They know that the daily storage charge in 1954 was \$718,000 plus—today, reported by the gentleman from Indiana [Mr. HALLECK] and others, and apparently on reliable authority, as being upwards of \$1 million per day.

Thinking farmers, who have the welfare of our people as a whole at heart; who give some consideration to the future value of our currency—their savings, their investments—know that the present program cannot be successfully indefinitely continued. They know that every day it adds a million dollars to the national debt.

So it is that, being patriotic—and let me repeat, willing to make personal sacrifices—they are willing to forego subsidies for farm products.

They expect others to make like sacrifices in the national interest.

Since Tuesday noon I have been waiting an opportunity to speak. Right well did members of the committee use the 4 hours allotted for general debate.

Nothing that will be said is said by way of complaint or criticism. I was on the floor during the general debate. I was here until we adjourned yesterday afternoon. I have been here since 10 o'clock this morning.

Some have complained, apparently with bitterness, that they were not recognized under the 5-minute rule. In my judgment, the chairman of the committee, the gentleman from Florida [Mr. SIKES] has been not only extremely fair in his performance of a most difficult task, but he has been very considerate and courteous.

Every minute of the time that I have been on the floor listening to debate or seeking recognition has not only been instructive, but has been thoroughly enjoyed.

As the gentleman from Wisconsin [Mr. BYRNES] just said: "It is obvious why we are here." This might be termed a "political bill." We all try to make political hay. I cannot recall any time when I cast a vote while thinking that the measure for which I was voting, or which I was opposing, would be helpful or harmful to the people of my district, that I was not incidentally hoping all the time for favorable political repercussions when election day rolled around. So why shy away from the fact?

Ours is a political Government, not a tyranny, under a dictatorship. Without a political opinion, no member would be justified in coming here, in remaining here to debate or cast a vote.

The debate has disclosed a political alliance in connection with the passage of H. R. 12 between, may I say, the chairman of the committee and Walter Reuther and four other labor leaders. No one criticizes that; at least, I do not. Why should I? If they all think it is good—fine. They should support it.

But who is Brother Reuther? The gentleman from North Carolina suggested yesterday, by inference at least, that I was sneering at Walter Reuther. No greater mistake was ever made so far as I am concerned.

Walter Reuther is an able man. Walter Reuther is an eloquent man. He is a persuasive orator. He is an efficient organizer. Walter Reuther is an ambitious man.

If you think that unjustified, read of his activities in connection with the sit-down strikes which began on the 1st day of January 1937.

He is a ruthless man. Walter Reuther is, in my judgment, if we have in mind a free, independent economy, a constitutional form of government, one of the most dangerous individuals in this country.

If I read the signs aright, he intends to give this country a labor government. And our Democratic friends had better profit by what happened in Michigan.

Walter Reuther and Gus Scholle, president of the State CIO, aided by the money which they collected from employees—sometimes against their will—with the aid of ambitious Democrats tolerant of methods and procedures, politically took over the State of Michigan.

They not only four times defeated a Republican candidate for governor, but in the last two elections, have filled every previously Republican-held State office with a Democratic candidate wherever opportunity has offered.

The leadership of the Democratic Party should take cognizance and be warned by what has happened in Michigan.

Industrial plants are moving south because of the demands which have been fastened upon industrial enterprises in the North by the CIO and other labor organizations. But southerners should

not forget that the industrial plants which have moved south have been followed by union organizers.

They should not forget that, if Reuther and certain other union officials have their way, soon southern employees, including those who work on the farms, will be paying tribute to tyrannical union bosses.

Nor should southern Members of this body forget that soon Reuther will take over some of their States politically and they will not come here as Democrats, if they come at all. They will come, if they come, as representatives of the union, with the union as boss of their thinking and voting.

And, when the two great labor organizations have completed their efforts and act as one, no longer will we have in the South a Democratic Party—a party which believes and fights for the constitutional rights of the States—a party which is willing to exert itself in favor of the individual or the organization which creates, maintains jobs, pays taxes.

That domination of the Government by the labor organizations is the purpose of Reuther and of others is evident from many a news dispatch which comes to us day after day.<sup>1</sup>

<sup>1</sup> LABOR HISTORY IN THE MAKING—UNIONS GOING POLITICAL, BUT PLAN NO NEW PARTY  
(By Don Whitehead)

Organized labor—15 million strong—is going deeper into United States politics, but the high command is strongly opposed to a political labor party such as that in Great Britain.

Labor's top chiefs say the coming merger of the American Federation of Labor and the Congress of Industrial Organizations will not mean a third party movement by labor.

Unions, they say, will remain an independent political force, giving allegiance neither to the Democrats nor Republicans as a party. But they concede that Democratic candidates are far more likely to benefit from labor's political action than Republican candidates.

However, there is an implied warning by some labor leaders that is unions cannot achieve their goals through the two-party system—then they may head in another direction.

#### MEANY STATES VIEWS

AFL President George Meany, who will head the merged AFL-CIO organization, gave these views in an interview:

"As long as I have anything to say about it, the AFL will not tie itself to any political party. I don't believe in a labor class or a labor party along class lines such as the British Labor Party. I don't believe in it just as I don't think there should be a political party in this country along denominational lines.

"There will be increased political action by labor in 1956. But political action by organized labor doesn't mean we will tie ourselves to any party. There is talk that labor is going to join forces with the Democratic Party. Well, I'm not going to tie the AFL to any party, any time, anywhere.

"This doesn't mean, of course, that we won't support more Democrats than Republicans because that probably will be just the way it works out. The facts are that more Democrats have favorable records from our point of view than Republicans. We aren't damn fools. We know there will have to be cooperation with political parties on the local level—but that doesn't mean we're



And when that day rolls around, as apparently it will, we shall have a government—not only in the States but in the Nation—not of, by, and for the people, but a government to not only protect the rights of employees, but a government which will give employees belonging to certain organizations special privileges, special benefits, special opportunities, the granting and exercising of which will be injurious to the rest of the people who do not pay tribute to the union bosses—a dictatorship for the benefit of a comparatively few.

going to tie ourselves to any one party in any shape or form."

#### ONE POLITICAL GROUP

The merged unions will make their political drive through a single organization which will be formed with the merger of the A. F. of L.'s Labor League for Political Education and the CIO's Political Action Committee.

The A. F. of L. and CIO set up these political action groups after passage of the Taft-Hartley laws in 1947, which forbid unions from taking dues money out of union treasuries and spending it in support of any candidate running for Federal office.

These groups accept voluntary contributions from workers and since it is not dues money—there are no strings on spending it in direct support of any candidate.

But won't the effect of such political action actually mean drawing labor into closer working arrangements with the Democratic Party which now gets most of labor's support?

Mr. Meany: "I will say this: If the time should ever come when we are forced to do such a thing—tie ourselves to any party—then it will be our own party."

"We are going to try to achieve our aims on a nonpartisan basis. But if the nonpartisan effort fails, then we'll go somewhere else. We'll go where we must go. And we'll go as far down that road as it is necessary to go."

It is known that Walter Reuther, president of the CIO, and John L. Lewis, chief of the United Mine Workers, both share Mr. Meany's misgivings toward a national labor party in the United States.

#### NO LABOR PARTY NEEDED

Thomas Kennedy, vice president of the UMW, whose views often reflect the thinking of Mr. Lewis, had this to say:

"There is no need for a labor party in the United States. The American labor movement is essentially an economic movement and if it fails to realize this and to continue to act in behalf of its own membership to win better wages and working conditions through economic action, the UMW feels that it will suffer the fate of much of the European labor movement."

Generally, the feeling of union leaders is that labor best can achieve its aims through existing political parties rather than by setting up a third force in politics aimed at complete control of Government.

Mr. Meany, Mr. Reuther, Mr. Lewis and other labor leaders have studied the European labor movement closely and most of them have come to the same conclusion: A European-type labor movement in the United States would be bad for labor because it is too political.

And it is understood that Mr. Lewis believes Mr. Meany and Mr. Reuther are going too far into politics even with their present plans for more vigorous political action.

#### QUILL DISAGREES

But there are some who believe labor should have its own State labor parties if not a national party. The viewpoint of this

Do not forget that Walter Reuther and his brother Victor got a part of their education in Russia. Do you remember that letter which was attributed to Victor Reuther written in behalf of himself and Walter when they were in Russia, which carried the advice—and you will find it in the CONGRESSIONAL RECORD of days gone by—"Vote for a Soviet America?" No, I made a mistake—"Fight for a Soviet America."

And how long has it been since, because of adverse public sentiment, the CIO itself was forced to expel six of its unions because they were dominated by Communists?

And what has been the purpose of the Communists in connection with labor organizations?

John L. Lewis never was a fearful man. He is considered a realist. Even though the sit-down strikes in Michigan in 1937

group was voiced last December in the CIO convention by Mike Quill, president of the Transport Workers of America. Mr. Quill said in part:

"I am afraid as we roll along year after year that we are tying ourselves tighter and tighter to the Democratic Party. As a matter of fact, if we keep going this way, we will find ourselves in a very few years as the most live and active wing of the Democratic Party and I think it is a danger. \* \* \*

"I believe \* \* \* serious consideration should be given to building in America a really and truly independent political party of CIO, so that the workers will have the choice to stand up separately and apart from any of the existing parties."

"I am not talking about a third party like the Progressive Party of Henry Wallace. That was created solely to split the liberal and progressive vote in this country. I am talking about a true party of labor that would give aid and comfort and rally a progressive vote for good candidates. \* \* \* If we are not ready for national party in this country, then we should at least give serious consideration to forming labor parties in the States throughout the country where it is impossible for us to walk with the existing Democratic Party."

#### REUTHER REPLIES

To Mr. Quill's argument, Mr. Reuther replied:

"Building third parties will get no one anywhere. Every try has failed miserably, not because the motives or the reasons or the morality behind it was wrong, but because we are dealing with a structure in America that does not lend itself to the creation of third-party movements. \* \* \*

"A labor party would commit the American political system to the same narrow class structure upon which the political parties are built \* \* \*

"Basically what we are trying to do is work within the two-party system of America and bring about within the two-party system a fundamental realignment of basic political forces so that political parties can become responsible."

Mr. Meany himself believes the coming AFL-CIO merger, with the creation of a single political-action department, will take labor farther away from the idea of a national labor party.

He said: "Under unified leadership, I'm convinced we will be more successful in the course which we have followed. This course is in choosing the candidates we can support without becoming a part of the political party. I think we'll be more successful in electing people who are friendly to us—and there will be even less possibility of moving in the direction of a labor party."

were carried on under Lewis' direction, as the then president of the CIO, Lewis apparently was fully aware of what the Communists were seeking to do.

Read Lewis' 1924 denunciation of the policies and methods of the Communists. In Senate Document No. 14 of the 68th Congress, 1st session, a document compiled under the direction of John L. Lewis, the then president of the United Mine Workers of America, we find on page 1, these statements:

Imported revolution is knocking at the door of the United Mine Workers of America and of the American people. The seizure of this union is being attempted as the first step in the realization of a thoroughly organized program of the agencies and forces behind the Communist International at Moscow for the conquest of the American Continent.

The overthrow and destruction of this Government, with the establishment of an absolute and arbitrary dictatorship, and the elimination of all forms of popular voice in governmental affairs, is being attempted on a more gigantic scale, with more resolute purpose, and with more crafty design than at any time in the history of this Nation.

The movement is aimed not only at the labor unions, but at the entire industrial, social, and political structure of the country, and with the single aim of eventually establishing a Soviet dictatorship in the United States.

Nor were the Communists alone in their determination to take over industry. In Guy Rexford Tugwell's *Industrial Discipline* we find this statement:

Planning will necessarily become a function of this Federal Government; either that or the planning agency will supersede the Government. \* \* \* Business will logically be required to disappear.

This is not an overstatement for the sake of emphasis—it is literally meant. \* \* \* The future is becoming visible in Russia. \* \* \*

Perhaps our statesmen will give way or be more or less gently removed from duty. Perhaps our Constitution and statutes will be revised. Perhaps our vested interests will submit to control without violent resistance.

Why, Members ask, these apparently extraneous quotations?

Because in this proposed legislation will be found the beginnings of Government control of farms through the use of subsidies. Because, as will be later shown, some of the more powerful supporters of this bill are today—by force and violence, by rioting and by bombing, attempting to take over industry in the southern States as they dominate some plants in the North.

My assertion is that today Reuther and some of those who are working with him are attempting to take over industry, subject employees to their dictatorial demands.

As early as November in 1937, at Detroit, Homer Martin, then powerful in the CIO, said that labor's entrance in the political scene was "just the beginning."

We expect to build our political forces in every city of this State, and we expect the farmer to reach out his hand to help us.

Frankenstein, another early associate of Walter Reuther, on April 8, 1937, when he was the CIO's chief organizer, speaking of the first Ford said:

Henry will either recognize the union or he won't build automobiles.



John L. Lewis said on the same day:

Henry Ford will change his mind, or he won't build cars.

Listen, Representatives from the South, get a picture of what is coming to you.

How accurate the prophecy was has been shown by subsequent happenings. Martin, powerful in the CIO at that time, and apparently because Reuther was still further to the left, announced that it was his purpose to transfer Reuther, Mortimer, and Kraus to territory outside of the Detroit area. At that time, both Reuther and Kraus were charged with the destruction of property in a strike demonstration at Flint, Mich.

Now let me summarize my statement.

My charge is that the Reuther who appeared before the Agriculture Committee is today the same Reuther whose union in the sit-down strikes and since has defied and disregarded the law, the orders of the courts.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

(By unanimous consent (at the request of Mr. ABBITT) Mr. HOFFMAN of Michigan was given permission to proceed for 5 additional minutes.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I thank the gentleman.

Let me repeat, I am not critical of the gentleman from North Carolina [Mr. COOLEY]; not at all. But I do desire, from the bottom of my heart, in an effort to be helpful, to call his attention to his political bedfellows, to their methods, their acts, their purpose.

What happened yesterday that justified the charge of political alliance made by the gentleman from Illinois [Mr. ARENDS] and of which the gentleman from North Carolina [Mr. COOLEY] was critical?

In my hand I hold a 10-page publication printed by the Government, the first page of which is as follows:

[84th Cong., 1st sess., committee print]

PRICE-SUPPORT PROGRAM ON BASIC COMMODITIES

H. R. 12, A BILL TO AMEND THE AGRICULTURAL ACT OF 1949, AS AMENDED, WITH RESPECT TO PRICE SUPPORTS FOR BASIC COMMODITIES

(March 15, 1955)

Printed for the use of the Committee on Agriculture.

(U. S. Government Printing Office, Washington: 1955)

The first inside page carries the names of the members of the Committee on Agriculture, together with the names of the committee's clerk, assistant clerk, counsel, and consultant.

Among other things in the foreword written and signed by the gentleman from North Carolina [Mr. COOLEY], I find the following:

Mr. Walter Reuther, president, Congress of Industrial Organizations, actually made the best farm speech that I have heard in our committee room during the entire 20 years that I have served on the House Committee on Agriculture. I commend Mr. Reuther's speech to the careful consideration of both producers and consumers, to the end that both groups might have a better understanding of the many problems involved.

The chairman also commended the president of the American Federation of Labor; the executive vice president of the Textile Workers Union of America; the general president of the Amalgamated Clothing Workers of America; and Mr. J. A. Beirne, president of the Communications Workers of America, for the letters which they had written endorsing, as officials of their respective unions, H. R. 12 or similar legislation. The letters from those four union officials are carried on pages 9 and 10 of the committee print.

Eight pages of the committee print carry a statement by Mr. Reuther, a statement not verbally made to the committee by Mr. Reuther, but filed with the committee when Mr. Reuther appeared.

Appended to that statement was the farm program resolution adopted by the 16th Congress of Industrial Organizations' constitutional convention, December 1954 and the four letters from the labor leaders.

In substantiation of my statement, indicating joint political efforts; I quote from page 7 of the Power of Abundance—CIO Views on the Farm Problem, a brochure with pictures, published by the CIO with a foreword under date of March 16, 1955, by the gentleman from North Carolina [Mr. COOLEY].

From that CIO publication I quote Mr. Reuther when he appeared before the committee. He said:

I have a formal statement which I would like to put in the record, and then I would like to elaborate on it orally if I might.

The CHAIRMAN. You may do that.

In the footnote to Mr. Reuther's request we have the following:

Mr. Reuther's prepared statement is omitted from this publication. A copy may be obtained by writing to the Legislative Department, Congress of Industrial Organizations, 718 Jackson Place, Washington 6, D. C.

It was that prepared statement which went out under frank.

Referring back to the committee print, it will be noted that document, "printed for the use of the Committee on Agriculture," was submitted to, accepted by, but apparently not read to members of the committee. Nevertheless, the committee print carries the statement in full, the letters of endorsement of H. R. 12 by the four union officials, the foreword by Mr. COOLEY, a list of the committee members and staff, and nothing else.

It is my understanding that at a cost of \$571.40, 57,000 copies of the committee print were ordered from the Public Printer.

Some 20,000 of those copies went down to the CIO headquarters here in Washington, though of that statement, I am not certain, that they were there addressed, sent back to the "Hill" and then mailed out under the frank of the chairman of the committee.

To my desk, and I assume to other Members of the House, on May 4, 1955, came a copy of a letter dated April 29, 1955, purporting to be written by Robert A. Heil, of 2328 Heliotrope Drive, Santa Ana, Calif., and addressed to Hon. HAR-

OLD D. COOLEY, chairman, House Committee on Agriculture, House Office Building, Washington 25, D. C.

The first paragraph of the letter reads as follows:

In today's mail I received a copy of a pamphlet printed by your committee, entitled "Price-Support Program on Basic Commodities: H. R. 12, a bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities." This pamphlet was mailed at taxpayer's expense and was franked under your signature.

Then followed certain critical remarks by Mr. Heil.

Earlier today, over the telephone, I called for Mr. Heil at the address given on his letterhead. The gentleman replying advised me that he was the individual who had written the letter to the gentleman from North Carolina [Mr. COOLEY], and having read the first page to him, assured me that he had received a copy of the committee print, and that he was a member of the board of directors of the California Orange County Farm Bureau. He also advised that other members of the board of directors had received copies of the committee print.

It is not my purpose, and I do not now wish to be misunderstood. Neither directly or indirectly am I criticizing the gentleman from North Carolina [Mr. COOLEY] for permitting the CIO to mail out the committee print in order to obtain support for the passage of H. R. 12, even if that was his purpose. What the gentleman did in connection with the printing of the document to which reference has been made was a matter for his determination.

Now, please do not misunderstand. Permit a repetition so that the record may be clear. Neither directly nor indirectly am I critical of what the gentleman did. He has long been a Member of the House, long noted for his ability, for his earnestness, for his activities, for his adroit and effective support of legislation which he favors.

The gentleman might have put the testimony into a speech in the RECORD and then franked out not 57,000, but 100,000 or any other number. Nor am I critical because he permitted the use of a CIO or any other mailing list.

My suggestion in connection with this particular phase of the manner in which the proposed legislation was handled, if I may be permitted to make a suggestion, is first, if the committee print was "printed for the use of the Committee on Agriculture," and reprints were desired, it might have been more desirable to have committee action taken.

Again, if any document was to be franked out by any Member of Congress in support of H. R. 12, more properly it should have been made a part of the record, and if it was to give the impression that it was a committee document, it should have carried something other than a prepared statement of just one witness, with routine letters of endorsement, submitted to but not read to the committee.

One receiving this Government print might well conclude that it carried all



of the testimony which had been given to the Committee on Agriculture, which it did not.

Inasmuch as I am not critical of the procedure followed by the gentleman from North Carolina [Mr. COOLEY] in the printing or mailing of this committee print, might not Members well ask then, "Why should reference be made to the publication, to the manner in which it was sent out, of the selection of those to whom it was addressed?"

The legitimate purpose of calling the situation to your attention is to show the sources from which support of this legislation comes. Not because anyone should be criticized for support of any particular proposed legislation, but because, to justly consider and properly weigh their support, the objectives of the individuals and organizations giving it, as well as their political philosophies, their methods of obtaining the enactment of what they desire, should be known.

By sanctioning the printing of the committee print, by permitting it to be sent down to the CIO or some other organization for addressing, by then franking it out to officers or members of the Farm Bureau or other farm organizations, the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], and the president of the CIO joined forces and efforts to put over H. R. 12.

There is nothing in the making of that joint effort for that purpose which can be criticized. We all know the truth in the old statement that "politics makes strange bedfellows."

Again, Members may ask, if not critical of this association of individuals and labor unions in support of this legislation, why make reference to it?

Again, the answer is that the weight to be given to the recommendations of any individual or organization inevitably must be influenced by the political views and the practices of that individual or organization.

Again, my purpose is to call the attention of those supporting this legislation, and especially the attention of the chairman of the committee, to the political philosophy, to the methods and the procedure followed by those who in this particular instance, are his political associates.

My thought is that, however much the chairman may need the support of his present political allies, their philosophy, their methods, are not those which he conscientiously adopts or employs.

Associating with this gentleman and these organizations whose help he now welcomes, whose efforts he now aids through the use of his frank, he and others who entertain the basic belief of most of the Democrats from the South will shortly find themselves displaced by their present allies.

Now, why do I say that? In this little pamphlet, our good friend—and again, it is no criticism—endorses what Mr. Reuther says and before the committee advocated. He endorses Mr. J. A. Beirne. And who is Mr. J. A. Beirne? Mr. Beirne is the president of the Com-

munications Workers, which has the telephones in seven southern States tied up almost as tight as a drum. A railroad system in the South has also been struck for some time.

Mr. Reuther is not an ignorant man. Mr. Reuther undoubtedly reads the papers. Mr. Reuther, it may be assumed, is well aware of what has been, what is, happening, in connection with the strikes of the Communications Workers and with the strike which involves 25,000 nonoperating employees of the Louisville and Nashville Railroad and its subsidiaries in 14 States.

In the Communications Workers strike against the Southern Bell Telephone Co.—it was 9 days old on March 22—the press reports that vandals attacked with guns, hatchets, and wire cutters, telephone cables providing service to thousands of subscribers. The press reported that the home of a nonstriker was battered with eggs, bricks were thrown through the windshield of a woman's car parked near her home, the tires on another car were cut, that numerous workers reported to the police they had threats that their homes would be burned down, their homes destroyed, other damage would be inflicted upon their persons or property if they did not join the walkout.<sup>2</sup>

#### <sup>2</sup> WORKERS' CARS, HOMES PELTED BY PHONE GOONS—OTHER NONSTRIKERS GET THREATS OF VIOLENCE

ATLANTA, March 22 (Special).—Workers' property was the target of eggs, bricks, and knives today as goon violence flared over the South at scattered points in connection with the 9-day-old CIO strike against the Southern Bell Telephone Co.

But the highest monetary damage was done to company property which vandals attacked with guns, hatchets, and wire cutters to severe telephone cables providing service to thousands of subscribers.

#### NONSTRIKERS GET THREATS

Violence mounted against workers who didn't go on strike. The home of a nonstriker in Albany, Ga., was pelted with eggs. In Atlanta, bricks were thrown through the windshield of Mrs. Jack Grant's car, parked near her home, and all 4 tires on Smith Hunter's car were slashed.

Numerous workers reported to police they had received telephone threats their homes would be burned down, their autos destroyed, and other damage inflicted upon their person and property if they didn't join the walkout.

Fourteen new incidents of cable slashings were reported last night and today in the Atlanta area, raising the total of such vandalism to 79 cases since the strike began.

#### EXCHANGES CUT OFF

Wires used by two large telephone answering exchanges were severed, halting service to hundreds of business persons. On the east side of the city a 200 pair cable was cut and in the northwest section a 100 pair cable was slashed.

Heavy steel guy wires were cut from a utility pole at the eastern outskirts of Atlanta. Company officials said the pole was about to fall into State highway 12 when they discovered it. Its fall would have broken numerous toll and local lines it supported.

#### HIRE EXTRA DETECTIVES

At Albany overhead cables were shorted by a wire thrown across them, causing a temporary disruption of service. The slashing of

In the strike against the railroads, there was violence, an attempt to wreck a train, and one train, the Dixie Flyer, was derailed. There is no proof that the union authorized any of this violence, or that it was conducted by union members.<sup>3</sup>

two major toll cables near Savannah halted long distance service between that city and Atlanta and points north until the damage was repaired.

Sixty additional detectives were employed in Atlanta by the telephone company to join supervisory employees in patrolling strategic cable points in this area to try to halt the vandalism. They were equipped with radios so they could call service men to damage scenes.

Detective Supervisor Glenn Cowan issued instructions to all Atlanta police patrol cars to be alert for cable vandalism and to tighten up policing of cables and telephone company buildings.

Telephones have been removed from the homes of numerous strikers because of the company's complaint the instruments were being used to threaten workers and to hamper service by flooding some exchanges with calls intended only to disrupt operations.

#### \* GOONS ELUDE SEARCH; RAIL STRIKE GROWS—REPORT NEW ACTS OF VIOLENCE

NASHVILLE, Tenn., April 16—[Special]—The Federal and Tennessee bureaus of investigation today entered the inquiry into the wrecking of the passenger train Dixie Flyer near here yesterday, but no clew to the identity of the saboteurs has been found.

Meanwhile, sporadic violence and vandalism continued throughout the south in two 34-day-old strike. These involve 25,000 AFL nonoperating employees of the Louisville and Nashville railroad and its subsidiaries in 14 States, and 50,000 members of the CIO Communications Workers of America employed by the Southern Bell Telephone Co. in 9 States.

The derailment of the Dixie Flyer, in which the train's crew and 30 passengers escaped with only minor injuries, topped all previous acts of sabotage in either strike. The train was running between Atlanta, Ga., and Nashville on tracks of the Nashville, Chattanooga, and St. Louis railway, an L. & N. subsidiary.

#### SPIKES, PLATES REMOVED

Saboteurs had removed spikes and plates securing one section of rail on a curve. When the 11-car train hit the curve the section of rail gave way.

C. E. Piper, special agent in charge of the FBI's Memphis office, ordered FBI agents into the inquiry today, and Gov. Frank Clement directed the Tennessee bureau of investigation to join the probe.

The railroad discontinued runs of the Dixie Flyer until further notice.

Presidents of two nonstriking unions, the Railroad Yardmasters of America and the American Train Dispatchers Association, today called strikes against the L. & N. system, effective at noon Monday. They said the railroad has discharged some of their members who refused to cross picket lines.

#### NONSTRIKERS TARGETS

The Brotherhoods of Locomotive Firemen and Enginemen and of Railroad Trainmen have issued Monday strike calls for the same reason.

L. & N. strike violence today centered in Corbin, Ky., where bricks were thrown through a nonstriker's windows, the garage of another was set afire, and a dynamite blast shook the home of a third. The lawn of another L. & N. nonstriker was dynamited at Birmingham, Ala.

In the telephone strike 4 cables were cut in east Tennessee, 2 were cut near Atlanta,



It is a fact, however, that the violence and the threats of violence and the damage to company property and the property, including the homes, of employees

Ga., and a pole near Pensacola, Fla., collapsed after saboteurs cut its guy wires. This last act of sabotage broke Government military communications circuits and cut off long-distance service between Pensacola and points east.

Mob violence occurred at the Sheffield, Ala., exchange, where 30 CIO goons broke five windows by hurling bricks. The shattered glass showered nonstriking operators, but none was hurt. The hoodlums then hurled lighted firecrackers through the broken windows.

[From the Washington Star of April 23, 1955]

#### L. & N. STRIKE WIDENED—THREE MORE LINES AFFECTED

The 41-day-old strike by Louisville & Nashville Railroad workers widened today as passenger and freight operations of three additional lines were curtailed at Birmingham, Ala.

Picket lines were set up at the joint yards of the Illinois Central, Frisco Lines, and the Central of Georgia. Pickets said the yard had been handling freight from non-striking crews of the L. & N., whose non-operating crews have been on strike since March 14.

The fresh trouble came as members of the National Mediation Board prepared to make new attempts to settle the long and costly dispute.

The board planned talks with rail and union officials today, which was set recently at a meeting of southern governors as a deadline for settlement of the strike involving 25,000 workers.

#### HEALTH PLAN BIG ISSUE

The governors did not disclose what action, if any, they planned if a settlement is not reached. Chief stumbling block is the union's demand for a jointly financed health insurance plan.

Meanwhile, the main L. & N. track near London, Ky., was dynamited early today. The Federal Bureau of Investigation called it another case of sabotage.

Edward L. Boyle, FBI special agent in charge at Louisville, said 4½ feet of 1 rail was blown out and the track was buckled for a considerable distance.

Efforts also are planned today to settle the other big strike which has been in progress for 41 days in 9 southern States, involving 50,000 CIO Communication Workers against the Southern Bell Telephone Co.

#### MEETING SCHEDULED

Governors of Alabama, Mississippi, and Georgia scheduled a meeting in Atlanta with union and telephone company officials to attempt to end the walkout, which, like the railroad strike, has been marked by violence.

The telephone company says a no-strike clause is holding up settlement. The union says wages and an agreement for full arbitration are the chief issues, not the no-strike clause.

The violence which marked the first 2 days of the strike at the big Sperry gyroscope plant at Lake Success, N. Y., appeared ended after the striking union agreed to limit pickets to five at each plant gate.

#### MEDIATOR ACCEPTED

In New York attorneys for the company and the CIO International Union of Electrical Workers agreed to accept a State supreme court justice as mediator. The union, which represents 9,000 of the 16,000 made idle at the company's 3 plants, also promised no more violence. The company manu-

factures electronics equipment, mostly for the Armed Forces.

Sperry officials today called on nonstrikers to return to work Monday.

In another major strike, involving some 23,000 CIO textile workers against 24 mills in 4 New England States, there was some hope of settlement.

A Federal mediator opened talks at Lewiston, Maine, with representatives of the Bates Manufacturing Co. and spokesmen for 6,000 of the firm's workers who are on strike. The hope was for a pattern of settlement for all of the strikers. The chief issue is wages.

[From the Wall Street Journal]

#### SOUTHLAND STRIFE—VIOLENCE INCREASES IN NINE-STATE PHONE STRIKE—SERVICE NEAR NORMAL—DYNAMITINGS IN TENNESSEE, LOUISIANA—SEIZURE TALK FROM ALABAMA'S GOVERNOR—ISSUE: A NO-STRIKE CLAUSE

(By A. E. Jeffcoat)

NASHVILLE.—Hoodlums in the hills of Tennessee shinnied up telephone poles and hacked down eight cables of the strikebound Southern Bell Telephone Co. The culprits got away, but by the next morning non-striking emergency crews repaired the wires and had 3,000 affected telephones back in normal service.

This is a typically daily occurrence in the 51-day old telephone strike covering nine Dixie States. Leaders of the striking Communications Workers of America, CIO, say they deplore such tactics. But strikers or sympathizers increasingly are resorting to violence and vandalism in frustration over their failure to cripple telephone operations.

#### SERVICE NEARLY NORMAL

By enlisting support from loyal employees and making full use of automatic equipment, the American Telephone & Telegraph subsidiary has maintained almost normal service. By offering rewards for information leading to conviction of strikers for destruction, it has also succeeded in convincing a good part of the public that it stands for law and order over irresponsible hoodlumism.

Says a high Tennessee State official: "Every time a stick of dynamite is thrown, or a cable is hacked, 9 out of 10 citizens hold it against the strikers, regardless of who is responsible or right or wrong in the dispute."

Even some labor leaders here admit these developments have been bad public relations for unions, which are trying to step up organizing of southern workers. But caught as they are in deadlocked negotiations, they're continuing this battle against mounting odds.

#### ONE HUNDRED FIVE WILDCAT STRIKES

The strike started March 14 when the telephone company and union parted over a company demand for a no-strike clause in its new contract with 50,000 employees, 40,000 of which are CWA members, according to the union. The company insisted on this clause because its service had been interrupted 105 times by quickie wildcat strikes over local grievances in the past 4 years. At the same time, it agreed to a \$6.5 million annual wage increase applying to nearly all employees.

The union agreed to accept the no-strike clause on condition that company also agree to full arbitration of grievances arising under the new contract, a condition which neutral Federal officials declare is written into a majority of existing contracts which contain no-strike clauses.

The company, however, refused to relinquish its "management prerogatives" over

if you care to peruse back issues, will give you more detailed information.

After these acts of violence, the Associated Press reported on April 29, 1955,

administration of the contract, provisions concerning health and safety practices, its company-financed pension plan, employee leave of absence, demotions of employees with less than 3 months service and discharges of those with less than 12 months service.

#### RAILROAD STRIKE COMPARISON

Regardless of the merits of either side of the dispute, the company from the start has had a much stronger position than the Louisville & Nashville Railroad in the other 51-day-old southern strike which now appears to be moving toward settlement in Washington, despite a new sympathy walkout by workers on a small southern road over the weekend. The railway unions have a higher percentage of membership and more regimented membership than telephone workers. As a result, the striking nonoperating employees supported by operating employees completely halted passenger service and all but about one-fourth of normal freight service on company lines.

Yesterday Alabama's Gov. James E. "Kissin' Jim" Folsom said he expects to ask the State Legislature to pass a law permitting seizure and operation of strike-bound telephone and railroad facilities. "I'm worried to death about the poor, little \$15 billion telephone company \* \* \* that all-powerful monopolistic telephone company," he said, adding: "I'm solid worried about them, my heart bleeds for them." (Presumably the Governor's dollar reference was to the assets of the entire Bell System; they totaled about \$12.8 billion at the end of 1954.)

Since 4 million of 4.6 million telephones served by Southern Bell operate on automatic dial systems, replacement of striking workers has only been necessary on such jobs as information and long-distance operators and maintenance crews. And the replacement job has been facilitated because most Bell employees have come up from ranks where they've been trained to do variety of jobs.

This situation resulted in a defeat for the union in its last major strike attempt—its effort in 1947 to obtain a nationwide \$6 weekly wage increase for all Bell Telephone System employees. At that time it was an independent union and partly as a result of its defeat it affiliated with the CIO soon thereafter.

#### ONE THIRD ON JOB

About one-third of the Southern Bell workers have remained at work from the strike's start, according to the company. Secretaries, accounts clerks, and salesmen have left desks and put on headsets to operate long-distance lines and engineers and other supervisory personnel have undertaken the job of repairing damage to equipment. Southern Bell says in the first 20 days of April it was able to complete 3 percent more long-distance calls than a year earlier, although two manually operated exchanges in Tennessee are closed because police couldn't offer adequate protection to nonstrikers.

All 1,040 other exchanges in the 9-State area are operating smoothly, though there are undoubted delays in new equipment and service installation.

Company officials who are busy issuing daily strike bulletins to employees and newspapers from the central office in Atlanta say more employees are returning to work every day. Although the union on March 23 reported 50,000 workers on strike, the company this week reported more than 30,000 employees back at work and the union refused to comment.



from Atlanta, Ga., that a half-million dollar gift from an anonymous source had been made to the communications

#### WORD FROM WORKERS, CUSTOMERS

Many telephone workers and thousands of customers have written to newspapers or to Southern Bell expressing their support for the company. In one typical employee letter to a Florida newspaper, telephone operator Dorothy Thomas wrote, "It is my humble opinion that our beloved leaders have led about 50,000 people into a disaster and that the people that feel they're doing so much good for the poor workingman are defeating their own ends \* \* \*. I feel that any organization which uses threats, abuse, violence and intimidation to accomplish what it cannot do by persuasion has forfeited any claim upon loyalty of those who respect rights and property of others."

Wrote a Florida installer repairman who is on the job: "Like fellow workers I have been receiving 3 to 4 annoying phone calls an hour. My picture has been taken upon entering and leaving my office. My family has been publicly snubbed by strikers. These rather childish actions cannot and will not deter me from performing my work."

Most Southern newspapers have roundly berated unions in editorial columns for this strike. One, the Brooksville Sun of Florida, went so far as to refer to "the source of trade unionism as the modern day degeneracy." Another, the Memphis Commercial Appeal, urged Tennesseans not to "knuckle under to hoodlumism."

Robert Taggart, a Florida telephone customer, sent this message to governors of the nine States: "If you are sincere in wanting industry to move south you can now prove it to one and all by your actions. Let industry know that its property and employees will be protected."

#### SUPPORT FOR STRIKERS

The strikers have gotten some public support, too. In Atlanta, a citizen named T. Stubbs wrote to a local newspaper: "I would like to raise one lonely voice in support of union workers who are on strike." And in Americus, Ga., Mayor J. E. Logan is letting the strikers use his home as headquarters, with free coffee and Coca-Cola available. "It's a disgrace for the telephone company to hold up these workers and try to bust the union," says Mayor Logan.

In Cedartown, Ga., the local drive-in theater has given strikers passes good until 7 days after the strike ends, and the police chief's wife walks the picket line. The owner of a piano store in Florence, Ala., W. O. Graham, ran a three-column ad in the Florence Times supporting the strikers and marched with them in a rally. The Times' executive editor, Louis Eckle, guesses the public is divided about 50-50 over the strike in Florence.

Strong disapproval of violent methods was expressed last week by W. A. Smallwood, district manager of the nine-State area for the communication workers. "Our cause has been damaged by these acts of violence wherever perpetuated and regardless of any determination as to whether such acts have been committed by friend or foe," he said in a letter to all local union presidents in the area. He reminded them that under the union's constitution a member bringing the union into disrepute may be tried and expelled.

Every day since the strike began there has been some cable or other property damage in the nine-State area which embraces Florida, Georgia, North Carolina, South Carolina, Tennessee, Kentucky, Alabama, Mississippi, and Louisiana. In Atlanta alone the company has reported 225 incidents of cutting telephone wires or other major damage, much of it done by persons firing shotguns.

workers as violence continued in the strike against the Southern Bell Telephone Co. The same press dispatch re-

#### SABOTEURS, DYNAMITE

In the West Palm Beach, Fla., area last week Southern Bell officials accused saboteurs of destroying a telephone exchange by fire, causing \$50,000 worth of damage. In the same area a telephone operator narrowly escaped death when a stick of dynamite exploded under her switchboard. Also during the past week homemade dynamite bombs blasted a hole in the concrete roof of a telephone building in the suburbs of New Orleans and damaged or destroyed company property at Mobile and Winfield, Ala., and Green Back, Tenn.

In some cases violence has been clearly traced to striking union members. A 25-year-old Orlando, Fla., striker, Donald E. Carpenter, admitted to police that after leaving a union rally and wiener roast he slashed six telephone cables with an ax stolen from the company. Orlando Sheriff Dave Starr traced Carpenter, a former cable-splicer helper, to three different telephone poles by footprints of cowboy boots he was wearing.

Henry H. Bolin, president of the Birmingham, Ala., CWA local, was arrested and charged with planting a stink bomb across an alley from strikebound telephone company offices. Arthur B. Chism, president of another striking local in Louisville was 1 of 4 men arraigned in criminal court in connection with the dynamiting of 2 telephone cables.

#### GRAND JURY INDICTS

Two striking Atlanta telephone workers were indicted by a grand jury on charges of shooting with intent to murder a non-striking telephone repairman who was splicing damaged cable. H. W. McCain, a striking telephone worker in Montgomery, Ala., was arrested by Alabama police for allegedly assaulting the husband of a telephone worker who was waiting in a parked car for his wife to leave the building. And police at Pensacola, Fla., arrested 16 strikers assembled at telephone building for assertedly throwing eggs and yelling "scab" at nonstrikers.

In a few other cases culprits have not been telephone company employees. Bethel Thomas Judd, a nonemployee, was picked up by police in Tennessee and charged with taking a swing at a telephone company plant foreman for crossing the picket line in Maryville. Judd was later found in a car which police said carried New York license plates registered in name of the New York CIO office. Police said there was a loaded shotgun in the car's trunk. When Judd told police that about 10 company men had attacked him, the police chief remarked that this contradicted testimony of pickets. Commented Judd, "That just goes to show you what kind of pickets we're getting nowadays."

Chicago police are holding three men for questioning about alleged plans to recruit saboteurs to destroy property of Southern Bell. Although CWA officials have denied any knowledge of such a plan, one of the men found possessing maps and instructions said he was hired by union officials to organize crews.

#### "OPERATION ZILCH"

In a suit filed last week in Atlanta Superior Court, asking for \$60,000 damages against the union, Southern Bell accused the union and some leaders of conducting a campaign to disrupt long distance telephone service.

The company submitted what it said were instructions handed out by union strike director G. E. Gill for "Operation Zilch." Strikers assertedly were told to make long distance calls to some non-existent person

ported that violence in connection with the rail walkout continued to occur.<sup>4</sup>

Notwithstanding this information of violence carried by the press, the union of which Mr. Reuther is the head announced on May 3, 1955, that a group of its locals had arranged to lend the CIO Communications Workers of America \$1,250,000 to help in its 50-day strike against the phone company.<sup>5</sup>

such as "a long lost uncle, J. P. Zilch," giving the operator the number of another striker. The operators presumably could be kept busy this way repeating the same call over and over without ever reaching Mr. Zilch.

Southern Bell has also accused strikers of telephoning some citizens to tell them their phones were contaminated and must be placed in hot water, thus causing additional difficulties for operators.

Union officials assert telephone company people themselves have been guilty of violence, although their list of accusations is considerably shorter than that of the company. They have asserted that a company supervisor drove over the foot of a picketer, that a nonstriker waved a pistol threatening a group of pickets and that a company sympathizer fired a bullet into a crowd of pickets. They also maintain they had to obtain an injunction from a Knoxville, Tenn., court prohibiting the company from sending armed men unlawfully near picket lines and from hurling lighted cigarettes at pickets or offering pickets alcoholic beverages. Company officials deny any knowledge of this injunction.

#### <sup>4</sup> STRIKE AIDED BY GIFT OF \$500,000

ATLANTA, April 29.—A half-million-dollar gift was poured anonymously into the war chest of the Communications Workers of America (CIO) today as violence continued to mark its strike against the Southern Bell Telephone Co.

CWA Regional Director W. A. Smallwood said that at the request of the donor the source of the \$500,000 gift could not be disclosed. But, he declared:

"This contribution will assure the continuance of the strike against Southern Bell and as a part of larger pledges made to the union will make sure that we win an equitable settlement."

Violence continued also to mar a concurrent rail walkout. A blazing telephone pole in one section of Atlanta and three burning railroad boxcars in another set off the 47th day of the two strikes.

A report that a bomb may have been mailed to the Coral Gables branch of the Southern Bell Telephone Co. prompted Miami post office officials to order interception of all parcels addressed to the company in the Miami area. Fifteen men were assigned to checking packages.

There were no moves reported by the Communications Workers of America (CIO) or Southern Bell toward ending the telephone strike.

The National Mediation Board resumed meetings in Washington in efforts to settle the Louisville-Nashville Railroad dispute but there were no immediate prospects of an agreement.

L. & N. strikers extended their picketing, halting or interrupting service on five additional lines into Louisville. This left only 2 of 9 railroads serving the city—the New York Central and the Pennsylvania.

#### <sup>5</sup> CIO TO LEND \$1,250,000 TO TELEPHONE STRIKERS

The CIO said yesterday a group of its unions has arranged to lend the CIO Communications Workers of America \$1,250,000 to help its 50-day strike against the Southern Bell Telephone Co.



No one can criticize one union for either lending or giving another union funds to assist its members in distress, provided those funds were not by force or intimidation collected from individual workers for some other purpose.

It is an altogether different proposition, however, if union funds collected for one purpose, that is for legitimate union purposes, are to be either loaned or given to promote violence and rioting, destruction of company or individual property. Mr. Walter Reuther is no novice when it comes to conducting a strike. Many a strike in which he and his goon squads have been interested has been carried on through open defiance of the law, the law-enforcing officers, and court orders.

What the gentleman forgets, and what I am afraid some of my colleagues in the House forget, is this—I said it before, it will be said again—the union bosses will take over, that is, the election of Members from the South, and then we Republicans will no longer have any more Democrats here to love and follow, with whom we can differ.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. COOLEY. The gentleman says he does not object to the fact that I shook hands with Mr. Reuther.

Mr. HOFFMAN of Michigan. Certainly I do not object.

Mr. COOLEY. I said yesterday I had no apologies for that. I have done a lot

of things worse than that; perhaps, shaking the hand of the gentleman from Michigan. I do not apologize for that.

Mr. HOFFMAN of Michigan. You do not need to.

Mr. COOLEY. No; you do not need to.

Mr. HOFFMAN of Michigan. And you do not even have to shake hands with the gentleman from Michigan if you do not want to, though it would honor me.

Mr. COOLEY. The gentleman does not have to be afraid about Walter Reuther swallowing the gentleman from North Carolina. And the gentleman cannot mean to suggest that anybody in this House ever attempted to make any trade with Mr. Reuther.

Mr. HOFFMAN of Michigan. I did not charge that. I may assume you welcome the aid of those who seek passage of the bill.

Mr. COOLEY. Certainly you do not. I am sure you do not and I do not think anybody in this body would ever be involved in such a proposition.

Mr. HOFFMAN of Michigan. No, no; I did not say that directly or indirectly. Do not read something that I do not mean into something that I say.

Mr. COOLEY. I do not think anybody would believe that I would trade my vote or that anybody else would trade their vote. In good faith I wanted to know what the industrial workers of America thought about this program.

Mr. HOFFMAN of Michigan. That is all right; that is all right; and no one can have objection. It might have been well to call a few from the employee groups as well as the union officials. But I am not critical.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Now, Mr. Chairman, I make my motion so as to get that other 5 minutes, for I am opposed to the bill, and the sooner it is killed the better.

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] offers a preferential motion.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman be given an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The motion is withdrawn.

Mr. HOFFMAN of Michigan. Mr. Chairman, let me inform my friends on the Republican side, if I may, that I am not criticizing the gentleman from North Carolina. He may perhaps be proud of the fact that he is recognized by so great, so capable, so ambitious a man, a man who may shortly be the President or Vice President, or perhaps more accurately, a dictator of the United States.

But this is the point I want to make to my dear friend, the gentleman from North Carolina [Mr. COOLEY]. The gentleman is politically in bed with Mr. Reuther right now, is he not? My suggestion: Make him cut his toenails before he scratches you from the back of your neck to the bottom of your heel, because that is what he will do to you politically.

Look, and I call this to the attention of my friend the gentleman from North Carolina [Mr. COOLEY], I hold in my hand this notice from the bulletin board of a factory which the gentleman from Ohio [Mr. AYRES] just gave me. It was sent in by a union member. I read:

NOTICE TO ALL MEMBERS OF LOCAL 856, UAW-CIO—DUES FOR THE MONTH OF MAY 1955 WILL BE \$7.50

This increase as per official notice from the office of international secretary-treasurer, Emil Mazey.

This action was taken by delegates to the 15th UAW-CIO International Constitutional Convention on March 29, 1955.

W. E. MELVIN,  
Financial, Secretary-Treasurer,  
Local 856, UAW-CIO.

Here is the relevancy of this notice. Recall I just referred to a loan of \$1,250,000 that CIO unions made to those who are on strike against the telephone company, to the Communications Workers of America, headed by this Mr. Beirne, whom the gentleman from North Carolina, Mr. COOLEY, referred to in his foreword of the committee print.

Here we have our good friend, working hand in hand, which is all right—which is all right—with Walter Reuther who loans—or his union at least, loans \$1,250,000 to a union in the southern States which is defying the law-enforcing officers; who recently, Monday it was—no, they did not—sympathizers did—bombed six homes in one of which a 4-year-old girl was almost killed.

Oh, that is a strange crowd—that is a poor crowd to tie up with politically or any other way. Tie up with Reuther politically on this bill if you wish. Pose with him for pictures for his propaganda if you desire—that is your privilege and right—even though at times CIO unions follow the Communists' methods and practices but do not, I beg of you, stay married to his political philosophy over long for I know you cannot stomach any of it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. COOLEY. The gentleman said that I am in bed with Reuther?

Mr. HOFFMAN of Michigan. What is that?

Mr. COOLEY. You said that I am in bed with Walter Reuther?

Mr. HOFFMAN of Michigan. Politically or figuratively speaking. If that is offensive, I will withdraw the "in bed." The gentleman is associated with him in a political endeavor. I will substitute "political endeavor."

Mr. COOLEY. Neither am I associated with him in a political endeavor.

Mr. HOFFMAN of Michigan. Oh, but you are. You both want this bill passed. On this bill you are both engaged in a joint effort.

Mr. COOLEY. Did the gentleman refer to Walter Reuther as a hoodlum?

Mr. HOFFMAN of Michigan. No, sir. Not intentionally.

Mr. COOLEY. Did the gentleman refer to me as a hoodlum?

Mr. HOFFMAN of Michigan. No, sir. I certainly had no such intention. I recognize the gentleman as a loyal, able

CIO President Walter Reuther said the loan "will enable the union to provide necessary relief and assistance to the strikers and their families.

"The telephone workers are carrying on a campaign to win a decent contract, including a system of arbitration of areas of disagreement, which has long since been recognized as standard in most industries," he said.

"In insisting that the company should have the final word on disputes, Southern Bell refuses to accept fully the spirit of true collective bargaining."

Reuther said the loan is "a symbol of the CIO's determination that this strike against stubborn and shortsighted management must, and shall, be won."

The CWA announced last week it had received an anonymous donation of \$500,000 toward its strike fund.

CWA headquarters here said the union had approximately \$2 million in its strike fund when the Southern Bell walkout began March 14.

Approximately 40,000 workers have been involved in the walkout in 9 States.

In strike violence yesterday at Jackson, Miss., the sleeping 4-year-old daughter of a minister was covered with debris from her damaged home when a bomb was exploded nearby. The blast damaged six homes in the area and destroyed a telephone company building housing expensive automatic equipment.

The threat to the child's life was one of several instances of violence that included dynamitings and bridge burnings in the strikes against Southern Bell and the Louisville & Nashville Railroad.

The strikes have become so disorderly and costly to the South's economy that Gov. James E. Folsom, of Alabama, yesterday said he plans to ask his State legislature to pass a public-seizure law to permit the State to take over and operate strikebound utilities.



Member of this body—a good citizen—just for the moment temporarily, inadvertently, in bad company with able, ambitious, ruthless individuals who do not like constitutional procedure when it hampers their desires.

Walter Reuther has been a driving force in strikes where the goon squads took over. I did say and I have seen the goons of the CIO operating in Michigan, in Detroit on the Miller Road in Wayne County and in Kalamazoo, 23 miles from my home. I have seen the results of their actions in many places. If you want facts, read the sworn testimony of hearings we held during the 80th and the 83d Congresses.

Mr. COOLEY. Just clear up one thing. You did not intend to use the word hoodlum?

Mr. HOFFMAN of Michigan. No; those who engage in unlawful activities, in destruction of property, in beating men and women who desire to work are known as goons, not hoodlums. I know, and you know how they operate. If the gentleman does not like it—if the gentleman does not believe it, you can come and look at the pictures which came from the United States District Court in Detroit which are hanging on the walls in my office which show the beatings administered by the goon squads of the CIO unions whose activities Mr. Reuther directs.

Mr. COOLEY. I have seen those pictures.

Mr. HOFFMAN of Michigan. In the same photo you will see CIO members who were Communist beating men who wanted to work. Beating up honest citizens. Walter Reuther stands for what? Who collects dues for what? Who calls for legislation so that no man in America can work until he contributes to the union dominated by Walter, or contributes to some other union. And then he approves of a loan of over a million to support those whose supporters are kicking in the doors of the telephone offices and wrecking the trains down in the Southern States—seven of them. They got the South tied up down there. They kid citizens who want to work around—they damage their homes; they derail a train; they tie up transportation and your law-enforcing officers and your governor, aping a Michigan governor, sit on their hands.

What I am wondering is if there are no more Gene Coxes and no more John Rankins on that side who will come to the well of the House and protest this defiance of the law, beat back this danger.

Mr. COOLEY. I know that you have not the slightest sympathy with the unions, but what kind of dangers is the gentleman talking about?

Mr. HOFFMAN of Michigan. The danger which always comes from the tolerance of lawlessness—the denial of civil rights.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. AYRES. As one who has about 70,000 members of Mr. Reuther's union in his district, I can appreciate how the gentleman from North Carolina [Mr. COOLEY], having worked in his district

3 years some time ago, could get hooked into a deal like this—he does not have any CIO leaders down there. However, I will say to the gentleman from Michigan there are many of us who can be thankful that Walter Reuther does not speak for the rank and file of his membership. The late Senator Taft proved that—CIO members are good honest, God-fearing people—they think for themselves.

Mr. HOFFMAN of Michigan. I thank the gentleman from Ohio. The notice which he received from a member of Local 856, UAW-CIO, protesting the arbitrary imposition of monthly dues of \$7.50 by certain delegates to the 15th UAW-CIO international constitutional convention of March 27, 1955, is typical of the hundreds of protests which have come to me from individual members of both the UAW-CIO and AFL.

They resent the imposition of arbitrary levies, like the one of \$156 per member levied for political purposes in Michigan, and like others where the workers' contributions, voluntary or forced, are wasted or expended for improper purposes; used for political, rather than union, activities.

From the very adroit presentation made by Mr. Reuther in the 36-page illustrated brochure put out by the CIO and which, on the first page, carries the large photographs of the chairman of the House committee [Mr. COOLEY] congratulating Mr. Reuther on the conclusion of his statement, the casual reader might gather that farm and labor organizations are united in their political objectives.

Mr. Reuther, on page 7, quotes from a statement made by the House Committee on Agriculture last year when it wrote:

The committee deploras any tendency, in the consideration of farm programs, toward a separation of the interests of the farmers and our great consuming populations of the cities. These interests are one and the same. They are inseparable.

If the committee or if Mr. Reuther had in mind the welfare of all our people, the statement is correct.

But the interests of organized labor and organized farmers are not always the same. Often they are on opposite sides of the bargaining table. Sometimes the farmer wants to sell, again he wants to buy; the same is true of the industrial worker who may do his own purchasing, sell through his employer. Both wish to pay as little as possible, sell for as much as can be obtained.

Two quotations from Reuther's statement made verbally before the House Committee on Agriculture show the inconsistency in his argument.

Referring to the membership of the average CIO union, Reuther—page 8, *The Power of Abundance—CIO Views on the Farm Problem*—said:

They did not all grow up in Detroit, or in Pittsburgh, or Chicago—they came from the farms, many of them. And we have always said that the most wonderful and the best crop raised on the farm is the children who finally come to the cities.

And permit me to add that, when they get to the cities, young women and young men who wish to work in industrial

plants, yes, even in retail establishments, Reuther and the boss of the AFL insist that before the farm girl or boy can go on the job upon which he is dependent for a livelihood, he must buy a work permit, pay tribute to a labor organization for exercising his God-given right to work and he must, as long as he continues to work, pay monthly dues and special assessments, often fixed at the arbitrary dictation of the union bosses.

Listen to another Reuther quote—page 11—illustrating his great solicitude for the welfare of the farmer:

We in the Automobile Workers Union have most of the farm-equipment plants organized under the jurisdiction of our union. We have the Harvester plant, we have the Massey-Harris, the John Deere, the J. I. Case plant, the Allis-Chalmers plant, where they make most of the agricultural implement equipment, and we know that while we have had very real and sizable and serious unemployment in the automobile industry proper, we have had a higher percentage of unemployment in the agricultural implements industry than in any other major industry. Why? Is it because the American farmers do not need equipment?

And what has Reuther and his outfit done to aid the farmers in purchasing more farm equipment?

By insisting upon higher wages to the employees in the plants to which reference has just been made, he has boosted the price of farm machinery so that all too often the farmer has been unable to purchase. Exercising his great love for the farmer, his wife and his children, Reuther has consistently made it more difficult for him to purchase the equipment which he must have if he would operate his farm.

Reuther is primarily concerned with the acquisition of political power. His primary purpose appears to be the establishment of a labor government. This is indicated by the recent amalgamation of the two great unions.

Apparently organized labor's leaders have abandoned the real, legitimate purpose of labor organizations, that is, the advancement of the welfare of the worker through an increase in wages, a lessening of hours, improvement of working conditions.

One of the main tenets of the Russian philosophy is control by the State, regimentation.

Reuther consistently advocates the establishment by the Government of a minimum wage, of maximum hours, of a closed shop.

Vehemently and rightly, labor leaders condemned the "yellow dog" contract—a contract which prevented a man obtaining or holding a job if he belonged to a union. Congress in 1935 outlawed that contract, but today Reuther and those who subscribed to his philosophy advocate the opposite, that is, that no man shall work unless he belongs to the union. The latter is just as unfair and vicious as the former contract.

Reuther and other union officials have consistently insisted that no man shall be forced to work; that enforced labor is slavery.

With that overall assertion I agree, provided the one who does not desire and who will not work has some other resource which will enable him to eat, be



clothed, and have shelter. And, naturally, we all are willing to contribute toward not only the support, but the comfort of the unfortunate who is unable for any reason to care for himself.

In addition to asserting that no man should be forced to work, Reuther's philosophy, and that of many others, asserts that every individual is entitled to a job at a compensation which will enable him to live decently, adequately, and in accordance with the American standard of living.

This last assertion implies that someone must furnish the individual desiring a job with a job, that is, a place and a task at the required wage.

This again calls for the necessary assumption that some individual or those who finance an organization must work or inherit the funds to create the job, have ability enough to conduct the business profitably so that the required wage can be paid.

So, logically, we get back to the proposition insisted upon by Reuther and others that, for example, Individual A must work, provide the funds to create a job for Individual B, who, according to the theory advanced, is not required to employ himself at the task provided.

Some just cannot see the cold, hard fact that, if anyone is to have a job at a living wage, someone, prior to the giving of that job, must have worked and saved to create it.

The bill before us is unsound in principle because it takes from the members of one segment of our society their earnings to finance the activities, create a market for, another segment.

It is unworkable, as has been demonstrated, because, in operation, it necessarily creates an ever-increasing surplus—an unnecessary burden upon all of us—or, if an increasing accumulation of surpluses is to be avoided, allotment of acreage must be drastically imposed. That means the end of the independent farmer. It means the Government-operated farm.

Followed to the logical end, such a theory would require the payment of a fair profit to those engaged in business—a market at a Government-fixed price for the products of all industrial plants.

The reasoning carried in this bill, used by Mr. Reuther and others of like mind, means modified socialism and, in the end, complete control of all activities by the state, which comes very close to the communism practiced in Russia.

I cannot believe our people want that type of Government. I know I do not.

Reuther's real purpose is to entice the farmers into the dues-paying membership of the CIO.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HAGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a new element has entered into this debate. Perhaps we should all go home and look under the bed before voting on this amendment or on this bill.

I want to commend the chairman of our committee whose astuteness is best

revealed by the amount of time that he gave to a certain gentleman a moment ago.

I have two amendments which I am offering but which I will withdraw, but I am offering them to prove a point. The first would restore to the allocation of cotton quotas among the States a calculation of trend. In tobacco there is a trend for allocation of quotas among the States. In corn there is a trend. In wheat there is a trend. In the case of rice there is a trend calculation. The only crop that does not have a trend calculation, with the exception of the lowly peanut, is cotton. That illustrates some of the inconsistencies of these various commodity laws. It is impossible to look with intelligence at 90 percent of parity or some other figure of parity as a crystal, shining clear example of good or evil. Laws have to be considered in their complete context and parity laws have a great many ramifications.

I want to make clear why I am in opposition to this bill, which is supported by our very able chairman, gentlemen like the gentleman from Texas [Mr. POAGE], the gentleman from Mississippi [Mr. ABERNETHY], the gentleman from Kansas [Mr. HOPE], and others. I think it is a poor effort at correcting the basic problem which exists with respect to present-day agriculture. Past solutions have included both flexible and rigid price supports, initiated by President Roosevelt and a Democratic Congress. Those programs have been tried in many ways. Flexible price supports have been in effect, but conditions have changed, and I think we need a clearer look at the proper agricultural law, than is contained in this bill. And that is why I am voting against it very reluctantly, because I have great respect for the chairman and the members of the committee who are advocating this bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Texas.

Mr. MAHON. Do we not have in existing law provision for trends within the States with respect to cotton acreage?

Mr. HAGEN. There is no trend calculation with respect to cotton allocations among the States. Within the States there is, which is another example of inconsistency.

For the benefit of the gentleman from Texas and others I will read my amendments into the RECORD at this point.

The first reads as follows:

Page 13, after line 17, add the following new section:

"SEC. 6. Section 344 (f) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the first proviso thereof to read: 'Provided, That the county committee shall apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this subsection and may in its discretion limit any farm acreage allotments established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection.'"

My second amendment reads as follows:

Page 13, after line 17, add the following new section:

"SEC. 7. Subsection (b) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words 'abnormal weather conditions' the words 'and trends in acreage.'"

My first amendment would restore the requirement which prevailed before 1955 that county committees in assigning cotton allotments to farms would make first provision for highest plantings up to 5 acres. The second amendment would restore to the cotton law the requirement that national cotton-acreage allotments to States include extra acres to those States which have experienced a growth of production which is not reflected accurately in a 5-year average. This last amendment places cotton on a parity with rice, wheat, tobacco, and corn and corrects an obviously political application of a commodity law.

I offer these amendments at this time, not with the idea of pressing them presently in this debate, but for the purpose of illustrating some of the reasons why we from the West are opposing a shotgun restoration of 90 percent of parity which tends to produce the surpluses and quotas which are unfairly applied to us.

You may wonder why I am suggesting restoration of protection of the farmer of 5 acres or less in view of the fact that California small farms are not that small in terms of acreage. You may ask why this amendment is not proposed by representatives of areas containing many 5-acre farmers. I cannot answer for them, but my reasons are clear. I want them to take care of their 5-acre farms out of their own community allotment and not out of the hides of my small farmers, and I am watching with interest the actions of their State and local committees in caring for these farms in 1956, as they have the discretion of doing.

I am withdrawing these amendments for the reason that, even if adopted, they would be only a partial correction of the many faults in our present support laws which come into play with surpluses induced by excessive support levels for all categories of commodity growers.

The simple fact is that 90 percent of parity is a mere symbol signifying nothing if the ground rules which it calls into play are political and unfair. These rules are political and unfair and an increase in the parity level at this time without their correction aggravates their impact.

I yield to no one in my concern for the small farmer but I am convinced that 90 percent of parity administered under present statutory and administrative ground rules will slowly but surely run the dirt-farmer off the farm and leave a class of corporation farmers and subsistence farmers doing all or most of the farming.

Laws should be changed to reflect changing conditions and conditions in farming have changed. Neither our present support law nor the proposals of H. R. 12 are proper answers to these present conditions and we are shirking



our duty if we think we can satisfy it by the passage of H. R. 12. The late defunct 90 percent of parity law and the present flexible laws and those flexible laws which preceded it have served a useful purpose but conditions have changed. I want to see the Democratic Party develop a farm program which applies a scalpel rather than a butcher knife to farm cancers.

In saying these things I hold no brief for the Secretary of Agriculture, Mr. Benson. I think he is seriously derelict in his duty in not presenting a real farm program to our committee. He should know that a flexible-support program as presently established is no better answer to the long-range problems of agriculture than the proposal of H. R. 12. Yet he is silent. In effect he is saying to us: Agriculture has an endemic disease and is declining in strength but all I recommend is a reduction in the amount of salve applied in order that we might save money to other taxpayers.

As a California I want to support and devise a proper farm program. That program may include provision for mandatory 90 percent of parity for designated crops, but the program presented here is not that program.

I will also say that I intend to vote against the amendment to take peanuts out of the category of basic crops. My action will not be dictated by a belief that peanuts deserve to be a basic crop but rather by the motivation back of this amendment. It is purely political.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, from the time this session started, Democrat leaders in the House boasted of their intention of support for the President and his program.

First, we had the tax bill offered by the Democrat leaders in the House, against the wishes of the President, which was passed in the House by a small majority, and, finally, the purpose of that bill was defeated through the help of the Senate.

Now, the bill that is before us today would repeal the President's flexible farm program before it can become fully effective, and before it has a chance to prove its worth to the farmers of America, and to the economy of our country. The passage of this bill would show up, in bold relief, the inconsistency of the Members of this House.

Mr. Chairman, I am interested in our Government, as all the Members are; I am interested in the welfare of it in the years to come, I am interested in the Congress keeping the finest possible reputation with the people and the greatest confidence on their part; but if there is anyone within the sound of my voice who thinks it is good politics to continuously embarrass the President and put him up against possible vetoes, let me say to you that popular as the President is today, when he has to come to the rescue of the great majority of the people who have confidence in him, and he has to use his veto power to protect the interest of the people when the Congress has failed to do so, his popularity

will continue to rise, but as it rises, the confidence of the people of this country in the present Congress will become lower.

May I warn you it is not good politics to oppose the President as he has been opposed and as he is being opposed by first one sort of political combination and then another. And it is not serving the best interest of our country.

Some Members have expressed their desire to do something for the little people. Let me suggest that the little farmers of this country could not generate the steam that has been exhibited on the floor of this House for the 90-percent parity bill; only the big commercial farmers and the big landowners who want to continue to sell their surplus to the Government could generate that much steam to do away with this bill before giving it a chance. Where is the support coming from for 90 percent of parity? It is coming from the Members from the great wheat areas all over the great Northwest, all over the great Southwest, and from some of the bigger cotton farmers of the South. Those are the people who are supporting this bill.

The American Farm Bureau Federation is representing the little farmers of this country.

The big commercial farmers who want to produce all they can and sell their surpluses to the Government are the ones who profit by rigid high price supports. The little farmer, because of the excess surpluses, finds his prices for the little he has driven downward.

The majority of the opposition to this bill comes from the States in the North and the East who are supporting the flexible program, from the States where the farms are small, where the little farmers come from. They are the members who are giving the greatest support to the flexible program, and are opposing its repeal.

Mr. Chairman, inasmuch as Walter Reuther's name has been mentioned often in the debate, I want to say that I think the chairman of the Committee on Agriculture acted within his rights in asking the great leaders of the American Federation of Labor and the CIO to come and testify. We need to get the viewpoint of all groups.

However, I would like to give some facts which will show that while farm prices were dropping 17 percent, the farmers were further distressed by wages being pushed up 27½ percent by the CIO employees in the various industries making farm machinery.

Now, of course, no one can object seriously to the high officials of the CIO in cooperation with their men, employed in the industries making farm machinery, in helping them to increase their wage. Yet, at the same time, the question can well be raised as to whether or not the big labor leaders in the CIO might not have taken notice of the fact that peace had come and with it the farmers were being distressed with lower prices.

They could have shown a genuine interest at that time in the farmers, whose prices were falling rapidly, if they had not continued to press for higher wages, which did add to the distress of the farmers.

They could also have taken into account that pressing at that time for higher wages increased the inflation and raised the high cost of living to where much of the increase in wages was offset with an increase in inflation, and higher prices, which again added to the burden of the farmers, to the consumers, and to everyone in the Nation as well.

Now, to prove my point which I think is important, may I point out to you that when farm prices started to drop early in 1948, they declined rapidly with a 17-percent drop in farm prices. To make matters worse, livestock prices tumbled downward, hogs fell from a high of 31½ a hundred to 12½ a hundred. Cattle and other livestock followed the precipitate drop, until they were checked by the sudden overnight impact of the Korean war in 1950. However, when we got into the Korean war, and as we spent billions of dollars, farm prices started back up again, but they did not start up until we began spending the billions and until the casualties, meaning the killing and wounding of the American boys on the battlefields of Korea, began to mount as well, and continued until the casualties of American boys reached over 140,000.

Now, while these farm prices were dropping over 20 percent from 1948 until the close of the fiscal year 1952, wages of employees in the International Harvester Co., John Deere, and other companies which made the farm machinery the farmers had to buy increased 27½ percent, with farm prices falling 20 percent and, with wages of these people going up 27½ percent, you can imagine the distress that was brought to the farmers.

During the last 4 years of the Truman administration, 1948 to 1952, you will remember that President Truman, in an effort to trade favors for votes, during the great steel strike went to the extreme length of seizing the vast steel industry of the Nation, and held control of it until the Supreme Court ruled that he had exceeded his authority under the Constitution.

Now, let me quote you some revealing figures as to how the farmers were affected by the actions, to which I have referred, in the years from 1948 to the close of 1952.

#### AVERAGE WEEKLY WAGES

Mr. Chairman, weekly earnings of the employees in the International Harvester Co. making farm machinery, and other like companies, in 1948 averaged about \$60.59 a week. At the close of 1952, in 4 short years, and early in 1953, the weekly average earnings of those working in these same jobs producing farm machinery of all kinds had gone up to \$77.21 a week, or in 4 years, wages had gone up 27½ percent.

During these 4 years, while farm prices went down from 13 to 20 percent, with wages advancing 27½ percent, the price of machinery they made that the farmers had to buy went up while all the time the farmers' prices were going down.

Of course, no one can blame the workers in the factories for wanting an increase in their wages, and no one can blame the head of the CIO for cooperat-



ing with the employees. Everyone, and that includes me as well, wants labor steadily employed at a high-wage level. What I am trying to point out was the effect increased wages had upon the farmers.

#### ILLUSTRATION

Mr. Chairman, let me illustrate how the price of farm machinery went up: In 1948, a Farmall M farm tractor cost the farmer \$1,586. Four years later, in 1952, it cost the farmer \$2,490, an increase in price of \$904.

In 1948, a 2-bottom 14-inch plow cost the farmer \$150. In 1952, it had gone up to \$240, an increase in price of \$90.

In 1948, a 7-foot disk harrow cost the farmer \$175. In 1952, it cost him \$285, an increase of \$110.

Prices of other concerns manufacturing like products for farmers were raised accordingly throughout the various industries making farm machinery.

#### GROSS FARM INCOME

Mr. Chairman, I want to insert a table of figures secured from the Bureau of Statistics of the Department of Agriculture, showing the gross farm income for the year 1948 and 1952, also, the gross cost to the farmers in planting and harvesting their crops, for the year 1948 and 1952:

|                      |                     |
|----------------------|---------------------|
| Gross farm income:   |                     |
| 1948 -----           | \$34, 520, 000, 000 |
| 1952 -----           | 36, 526, 000, 000   |
| Production expenses: |                     |
| 1948 -----           | 18, 916, 000, 000   |
| 1952 -----           | 23, 027, 000, 000   |

From the above table you will note that it cost the farmer \$18,916,000,000 to put in and harvest his crops in 1948, but that in 4 short years, in 1952, his cost rose to \$23,027,000,000, which cost the farmer \$4,111,000,000 more to produce and harvest his crops in 1952 than it did in 1948.

In other words, the increased cost the farmers had to pay for farm machinery and the increased cost because of the increase in wages forced up 27½ percent and the general increase in wages, and the cost of everything the farmer had to buy, took, in fact, \$4,111,000,000 out of the farmers' profits he otherwise would have been able to keep for himself had wages been stabilized at the 1948 level rather than being raised 27½ percent, while the farmers' prices were dropping from 17 to 20 percent.

Mr. Chairman, I must confess that I have been a little surprised at the apparent political combination that has been brought about by those who now seek to overthrow the Eisenhower farm program, and return to the high rigid price supports that have brought about billions of dollars in farm surplus commodities that are now overhanging the market and depressing farm prices.

I firmly believe that a majority of the Members of this House, whether they be in farm areas or in consumer areas, realize that the present flexible farm support program is a move in the right direction that has helped to stop inflation, and that the administration, which is meeting with marked success in increasing our export markets, and in rapidly reducing the mountain of farm surpluses now on hand is working not only

to the interest of the farmer but the consumer as well.

Mr. Chairman, this is a time for the Members of this House to lay aside every thought of seeking a political advantage of any kind. We are dealing here with the biggest domestic problem that has ever presented itself to the American people, and to their representatives in the Congress. The great majority of the farmers, and all the rest of the people, know that the flexible price support law, passed last year, should have an opportunity at least for a fair trial. If this Congress fails to vote to continue the present flexible program, the people will lose, in my judgment, a large degree of their confidence in the Congress of the United States. We should show our consistency by voting to continue the present flexible farm program. If we do, the great majority of the people of this country, including the great majority of the farmers, will applaud our action.

THE CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. JONES of Missouri. Mr. Chairman, I object.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment was agreed to.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: Add the following new section:

"SEC. —. Section 201 of the Agricultural Act of 1949, as amended, is further amended by adding after the word 'honey' where it first appears in said section the words 'grain sorghum' and by adding at the end of said section the following new subsection:

"(d) The price of grain sorghum shall be supported through loans, purchases, or other operations at a level not in excess of 85 percent nor less than 80 percent of the parity price therefor."

Mr. ROGERS of Texas. Mr. Chairman, this amendment has to do with a farm commodity that is raised in the great Southwest, most of it coming from Texas, Oklahoma, Kansas, Colorado, and New Mexico. It is what we call grain sorghum. In order to clarify the situation I want to point out to those of you who are not familiar with it that it is what is commonly referred to as milo maize. It is a plant of the sorghum variety or family and it is raised for the grain content in the head of the plant.

For the 2 previous crop years that particular plant has been supported—it is a nonbasic commodity—at 85 percent of parity under the direction of the Secretary of Agriculture.

In December of 1954 the support price for the coming crop year was announced, and that support was reduced from 85 percent of parity to 70 percent of parity, which is the largest cut that has ever been made in connection with that particular commodity and probably in connection with any commodity.

A 15-percent reduction simply means this in that particular area: It simply means that a lot of the little farmers—and those are the people I want to talk about—are going to have to go out of business. Now, it hit our economy in two ways: In the first instance, it took away what might be all of the profit and some of the cost in what it requires to raise milo maize. The second thing it did was this: It hurt the economy of our section because it is the only cash crop that can be raised in many of those areas. And also many of those people, many of those farmers, have been faced for a number of years with a drought, that is, for the last 4 years. We are going into the fourth year of drought. The wheat crops have been ruined in many instances, and the people have turned to milo maize.

Mr. ROGERS of Colorado. Mr. Chairman, will be gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I would like to join with the gentleman and point out that in the Dust Bowl area of Colorado this can be used as a substitute crop, and with a little moisture it acts as a cash crop to the farmers in that area.

Mr. ROGERS of Texas. I thank the gentleman very much. I was coming to that, and it is a very good point in this discussion.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Texas.

Mr. MAHON. I want to associate myself with the gentleman's amendment. I think it is valid, and I hope it will be supported by all the friends of agriculture. I have been working with the gentleman for weeks on this matter, and I hope we may achieve success on the amendment now before us. It is urgently needed to prevent economic disaster in many areas.

Mr. ROGERS of Texas. I thank the gentleman. I appreciate that, because I think this amendment is very important to those people who have been plagued by the drought situation and who are now plagued with the dust storms that you folks have been reading about in your local papers.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman has not pointed out, but I believe it is true, that there is a greater acreage in grain sorghums than there is in cotton in the United States, and it is one of the real important crops of this country from an acre standpoint. Your amendment does not ask for an unlimited amount. It puts a top limit of 85 and falls down to 80, on which we support dairy products on which there is no production control.

Mr. ROGERS of Texas. I thank the gentleman. It is very difficult for me to cover all of the many things to be said in behalf of this amendment, and I appreciate those contributions.

Let me go one step further in this respect. This is not the situation of a



farmer or a farm group asking for anything. All we want is fair treatment in this situation and something that we think will contribute to the welfare of this Nation in what has been termed the long haul. Now we know that the drought situation has brought about a new Dust Bowl era. We hope that it is short lived, but we cannot afford to take any chances.

The passage of this amendment will serve two basic purposes: In the first instance, it will stabilize the economy of those men who are engaged in growing this particular farm commodity, and the other contribution, which is equally important in my way of thinking, is this: it will furnish a cover crop to hold the soil in that area where the wind blows all the time.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROGERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROGERS of Texas. It will serve as a cover crop to hold together the land in that section of the country and stop the blowing. Now, we have reports at the present time of that dust going into east Texas, as far east as St. Louis, clear to the Gulf of Mexico, and you will see more of that if something is not planted to hold that ground down. If you let that land continue to blow, you are going to put this Government in a position where they are going to have to go back into a land-buying program of the submarginal land that will cost millions of dollars.

This amendment is good, sound, common business sense because it will protect not only the economy of those people, but it will protect the rest of the taxpayers in future years through the protection of the lands we have in that area.

Mr. IKARD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the distinguished gentleman.

Mr. IKARD. I should like to associate myself with the gentleman in this amendment and compliment him on offering it. I think it is important to note, as the gentleman has stressed, that this is not a small commodity but one that is very essential to a large segment of our whole agricultural economy.

Mr. ROGERS of Texas. I thank the gentleman for his contribution.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield gladly to the gentleman from Illinois.

Mr. MASON. Is there acreage control over this crop at the present time?

Mr. ROGERS of Texas. I am glad the gentleman asked that question. There is no acreage control, because it is a non-basic commodity. What we are asking here is simply this, that we do not have the rug pulled out from under us all at once. We are willing to submit to acreage controls. We had a delegation from this section of the United States go

before the Department of Agriculture and discuss this matter with Mr. Benson. We were told that he was going to take it into consideration and see what he could do about it. Of course, we had complete faith in Mr. Benson. We believed he would do that, and probably he is doing that. But what we need is some kind of assistance at the present time. I would be willing to say this, that those farmers will support submission to basic acreage controls next year or the year after if this Congress sees fit to approve this amendment.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. MAHON. Is it not true that under existing law the Secretary may impose acreage controls on grain sorghum? The people would not expect indefinite support without acreage controls if acreage controls should prove to be necessary and if the support were relatively high. What we need is immediate relief. If a reasonable acreage control program is later required it can be placed in operation.

Mr. ROGERS of Texas. That is exactly right. The Secretary also has the authority at the present time to support this particular commodity up to 90 percent of parity. We are not asking that in this amendment. He supported it last year at 85 percent of parity. We want him to have some flexibility as long as it is not under controls. We are only asking that this be supported at not less than 80 percent nor more than 85 percent so that these people may have an opportunity at least to stabilize their economy, so that they will not have the rug jerked out from under them all at once and catapult them into bankruptcy. And that is where they are going, because here is what has happened. Some of that country out there is irrigation country. Money has been borrowed from the FHA to drill wells. Money has been borrowed from the FHA in the dry land sections, and when you jerk the rug out from under the farmer on his cash crop, how in the world do you expect him to be able to meet the note when it comes due? He cannot do it. And if you are going to put him in default with the FHA, you have one of the best contrivances that can be thought of to destroy the family-size farm that everyone in this House of Representatives wants to support.

I think it would be tragic if those people were allowed to get in default and become bankrupt simply because everything was pulled out from under them at once and they were not even given a chance to stabilize their economy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that the support prices on some other grains have also been reduced in the same proportion?

Mr. ROGERS of Texas. Yes. I believe in some instances.

The situation we are confronted with is simply this, that we have a situation that in some cases might be considered unique at the present time, because that

is the cash crop of that great segment of this country, in the Southwest and the other States that have been mentioned.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(Mr. ROGERS of Texas asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment. I, of course, know of the great interest that the gentleman from Texas [Mr. ROGERS] has in the problem which he has just presented to the House. I know also that many other Congressmen from the State of Texas and in other parts of the country are likewise interested in this problem. I do not, however, believe, Mr. Chairman, that the amendment should be adopted at this time and made a part of the pending bill. I, therefore, urge the House to defeat the gentleman's amendment.

Mr. Chairman, may I inquire if there are any other amendments on the desk to be offered?

The CHAIRMAN. The Chair observes no amendments on the desk at this time.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. YOUNGER. Mr. Chairman, for the last 2 days we have listened to some great orations, all of which were appealing for sympathy for the little farmer. Everyone has great sympathy for the little farmer, but the fact is they did not tell you why they have this sympathy for the little farmer.

Under this price-support act we have been working and living for a number of years, this is what has happened. Since 1935, the number of farms of 1,000 acres or more has increased 37 percent. These farms now contain a total of 494 million acres or 42.6 percent of all of the farm land in the United States. Not only that, but the facts reveal that in 1953, 1.9 percent of the farmers of the United States received over 25 percent of the subsidies and 9 percent of the farmers received 50 percent of the subsidies, which leaves this fact—91 percent of the farmers of the country received only 50 percent of the subsidies. There is no wonder that you gentlemen, here on the right, have great sympathy for the little farmer whom you have crucified under this price-support bill over the years it has operated.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. ROGERS of Texas) there were—ayes 47, noes 62.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent in view of my understanding that there are no further amendments to be offered to the bill



that all debate on the bill and all amendments thereto, close at 2:35 p. m.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, reserving the right to object, I wonder how many want to talk between now and the next 15 minutes.

Mr. COOLEY. There are only about 5 or 6 Members standing.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and it is so ordered.

Mr. SAYLOR. Mr. Chairman, I object.

Mr. GAVIN. Mr. Chairman, I object.

The CHAIRMAN. The Chair must state that objection at this time comes too late.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. GAVIN. The Chair recognized the gentleman before we voted on this motion. At that time I felt that he would be entitled to 5 minutes. He has waited several hours for an opportunity to be heard, and I think that his 5 minutes should be granted him and not taken out of this time.

The CHAIRMAN. In the opinion of the Chair, the gentleman from Mississippi had not been recognized for 5 minutes at that time. Since the time for debate on the pending amendment was fixed, the gentleman is recognized for 1 minute.

Mr. GAVIN. I ask unanimous consent, Mr. Chairman, that the gentleman be granted 5 minutes, notwithstanding the action taken by the House.

The CHAIRMAN. The time has been fixed by the Committee.

Mr. GAVIN. Well, I ask unanimous consent, notwithstanding the action taken.

The CHAIRMAN. This is coming out of the gentleman's time. Does the gentleman yield further?

Mr. WHITTEN. I do not yield, Mr. Chairman.

Mr. EDMONDSON. Mr. Chairman, I ask unanimous consent that my time be granted to the gentleman from Texas.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order. I object to that.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, the farmers of the Nation received 12 percent of the national income in 1946, 11.6 percent in 1948, 9.4 percent in 1951, and, in 1954, the farmers' share of the national income dropped to 7.2 percent.

Opponents of 90 percent supports for basic commodities point these facts out as evidence that the farmer's income has gone down while he was assured 90 percent support. They try to say that a 75 percent of parity support will not hurt him because he is already getting hurt under 90 percent.

The farmer's income is dependent upon the volume he produces, multiplied by the price he receives, less his cost.

In recent years the farmer's costs have gone up greatly, more than 12 percent in the past 2 years. And now the President requests an increase in the minimum wage and in just about everyone's

income except the farmer's; and the farm costs are bound to continue to go up.

Now with his income dependent upon price times volume, reducing the price cannot help but make the farmer's situation worse.

What we need do is to at least maintain the price the farmer has been receiving and increase his volume of production by selling in world markets what he produces.

What has really hurt the farmer is that what he has produced has not been sold in world markets because the Department of Agriculture would not offer them for sale at truly competitive prices. While refusing to sell, the CCC built up its stocks to billions of dollars' worth, then such commodities were counted to reduce the farmer's acreage and marketing quotas. Thus his trouble and reduced income under 90 percent supports came about because his constant price multiplied by a constantly reduced volume, less ever-increasing costs meant less and less income to him.

We will not help him by reducing his price, but we will further hurt him.

What is needed is to increase his volume by selling his production in world markets, competitively, and regain our share of the market. Then his price times an increased volume will help.

Of course, we must also try to help him hold down his cost.

Mr. Chairman, I have just about enough time remaining to remind this Congress once again that the \$4 billion worth of farm commodities which are being used by the Department of Agriculture in justification of reducing prices of the American farmer are in the hands of the Government because the Department will not sell them in world markets because they will not make the sales price truly competitive. That is supported by the testimony of the Secretary of Agriculture. He has not offered them and will not offer them for sale in world markets on a truly competitive basis. Since he has not offered them, he then counts them to reduce the acreage of American farmers. The income of the farmers which has gone down in the last number of years has gone down not because of the prices that they received under the farm price supports of 90 percent, but the income has gone down because of this buildup of commodities that has been used to reduce his volume.

With his volume held down by his Government through this erroneous policy, we heap coals of fire on his head when we reduce his price as well.

President Eisenhower knows the situation facing our farmers is bad, for last week he told the Congress in a special message:

In this wealthiest of nations where per capita income is the highest in the world, more than one-fourth of the families who live on American farms still have cash incomes of less than \$1,000 a year. They neither share fully in our economic and social progress nor contribute as much as they would like and can contribute to the Nation's production of goods and services.

And yet there could be no poorer approach to the farmers' problems, in my judgment, than that presently offered by

the Department of Agriculture. By refusing to sell, it holds down his production, has reduced his price, and now Mr. Benson endorses the increased minimum wage, which can only increase his costs. No wonder it is expected the farmers' income—already less than half that of other Americans—will decrease another 1.2 billion dollars this year while the national income is expected to increase by about \$20 billion. Such a situation cannot long continue for a constantly declining farm income can only pull the rest down with it. We should remember every depression has been led off by similar drops in farm income. I am afraid we are on our way if we do not change our course. We must pass this bill restoring supports to 90 percent of parity and then, if necessary, we must force the Department of Agriculture under its present authority to sell in world markets competitively at least to the point of recapturing our former share of world markets.

The CHAIRMAN. Does the gentleman from Texas [Mr. PATMAN] desire recognition at this time?

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

#### HATE CAMPAIGN AGAINST FARMERS AND MERCHANTS

Mr. PATMAN. Mr. Chairman, Secretary of Agriculture Benson started a campaign in 1953 to incite the city consumers against the farmers. The city consumers were told that the farmers were getting so much for their products that it caused the city consumers to be compelled to pay unreasonably high prices. Informed people know this is not true.

Then the Secretary of Agriculture commenced a campaign to make both city consumers and farmers hate the grocers and other distributors. He contended the farmers would get more for what they sold and the consumer would pay less for what they bought if the middleman did not make an unreasonable profit. Informed people know this is not true but it was good propaganda for a hate campaign.

The result is the farmers are suffering and this administration is not doing anything, that I know anything about, to right the wrongs committed against the farmers.

The farmers and small business are being sadly neglected.

#### SMALL BUSINESS

It is timely to review what has occurred in the past to help small and independent business.

#### BANKS, RAILROADS, AND INSURANCE COMPANIES SAVED BY RFC

I could not fairly review the great events during my time in Congress without mentioning the RFC. That agency, as we know, was first created in 1932 on the recommendation of President Hoover. It was created to bail out the financial institutions and the railroads at a time when the credit structure of the country had collapsed. When the Democratic administration took over in the



next year, this agency was put to work not only to rescue our financial institutions and railroads, but to help almost all varieties of business, to lend a helping hand to State and local governments, and to just ordinary people.

In its early years the RFC invested nearly \$4 billion in our financial institutions. About a third of this was loaned to pay depositors some part of their deposits in banks which had closed. Another third was loaned to help banks stay open. And the other third went to strengthen the credit structure by investing Government money in the preferred capital of banks, trust companies, and insurance companies. During the first 10 years of its existence the RFC aided more than 7,000 banks and 100 insurance companies.

One-third of the railway mileage of the country fell into bankruptcy even after help from the RFC, and another third would have gone the same way if it had not been for RFC assistance.

When the Republican administration went out of office in 1933 a special theory of government also went out of office. This is the theory that the people of this country can advance their welfare and their legitimate aspirations through the agency of Government only by the trickle down method. After the Democratic administration took over the doors of the agency in which the credit resources of the Government were mobilized were then opened to all classes of business and all classes of citizens.

To aid farmers the RFC made loans of \$1½ billion, about half of which was distributed through the Commodity Credit Corporation. Most of these loans were repaid with interest, and in any case this program occasioned no loss to the taxpayer.

To help relieve the crisis in home and farm mortgages the RFC made loans to private mortgage companies, to insurance companies, and to home and farm owners. Government credit for this purpose saved from foreclosure a million urban homes and half a million farms. The RFC financed the Rural Electrification Administration and the Electric Home and Farm Authority. It made loans to over 30,000 disaster victims, including earthquake victims in California, tornado victims in Georgia, and flood victims in the Missouri Valley. It lent money or purchased the securities of countless local public agencies, such as school authorities, hospital authorities, waterworks authorities, and so on.

The RFC's contributions to our Nation during World War II were far too wide and numerous to mention. It built and expanded factories, mines, and transportation systems. Its money built most of the airplane plants, the high-octane gasoline plants, the synthetic-rubber plants, the new aluminum and steel plants; and it built, expanded, or converted plants for making jeeps, tanks, bombs, guns, shells, and for making the machinery to build all these things. In total, it provided the money for building or equipping more than 2,000 industrial plants, substantially all of which are in operation today, providing employment and turning out goods which the Ameri-

can people need. Its money provided for insurance against war damages to the people of the United States. Its money financed the Defense Homes Corporation which provided homes for workers in crowded defense areas.

After World War II the RFC established and financed the Export-Import Bank to assist private traders in re-establishing our foreign trade. And during substantially all of its life, from 1934 until it was abolished by a Republican Congress in 1953, it made loans directly to industrial, mining, and other enterprises, both large and small, where legitimate needs for capital were not met by private financial institutions. In all, during its 21 years and 8 months of operation, the RFC lent more than \$12 billion. These loans saved or expanded tens of thousands of small businesses. They created new business in those sections of the country where capital is scarce, such as in the South, the West, the Plains States, and upper New England. They created new businesses and new competition in several highly monopolized industries where the private financial houses would risk no money on a new firm to challenge the monopoly giants.

No wonder the present big business administration was so quick to kill this goose that had been laying the golden eggs. The big financial institutions no longer need help; they now have all the money in the world, and they are increasing their stranglehold on the credit resources of the country by combining and merging. Only the several thousand small banks on the several thousand main streets of this country need credit to serve the needs of their local communities. Big industrial concerns no longer need access to capital; they have the big financial institutions for this purpose, and they have billions of dollars of undistributed profits. Now only the small firms and the medium-sized firms are unable to obtain a sufficient share of the Nation's savings to serve their needs for expansion and for working capital. Monopoly industries have adequate access to the Nation's savings, and they do not welcome the idea that any of these savings might be used to create competitors.

In all of the hundreds of thousands of loans which RFC made, some of them of course did not pay out. There were some business failures, and some foreclosures had to be made. That is the experience of any private lending operation. But, on the whole, the RFC lending program was very profitable, even in the narrow terms of dollars and cents paid into the Treasury. This program paid a fair rate of interest on the money it borrowed from the Treasury, it paid all of its expenses, including office rent and salaries, and on top of this it returned a profit to the Treasury.

#### SPECIAL BENEFITS ALLOCATED

Then, of course, there was another reason why the big business administration found it imperative to liquidate the RFC. The RFC had, in mid-1953, more than a billion dollars worth of nice, sound business assets. These included sound, interest-paying loans; they included railroad and industrial bonds and

stocks; and they included a variety of valuable physical properties, such as the synthetic rubber plants. The report of the Secretary of the Treasury takes great pride in the rapidity with which these assets have been disposed of. The administration's disposition of what is called the small loans will illustrate my point.

First of all, a review was made of all the loans with balances of less than \$100,000, and the guilt-edge ones—some 2,800 of them—were put into a pool. Then arrangements were made by which the banks bought shares in this pool, by purchasing what are called "interest certificates." The Government pays the banks 3½ percent interest on these certificates. In other words, the Government did not relieve itself of any obligation by this pool arrangement; it merely borrowed money it did not need, and is paying the banks 3½ percent interest on it. Moreover, the Government did not relieve itself of the risk that some of these loans may not be paid off. It allowed the banks to purchase the first mortgage on this pool for 64 percent of its value, so the Government will get the residue after the banks get all the principal and interest due them. This is, of course, good business—for those that can get it—and it illustrates nicely the sound business methods by which the country is being run. But this is not all. The banks which have been so generous as to accept some of the Treasury's interest certificates are also made the depositors for payments on the loans in this pool, and for this they receive an additional fee. For example, on a loan with a balance of less than \$25,000, the bank receives a fee of 2 percent on the principal and interest collected, plus another fee of \$2 per month. Finally, as the banks look the loans over, they are privileged to select individual ones they would like to have, and purchase these at face value. These loans pay 4 to 5 percent interest, and after they have been paid off to the point where the balance due is small compared to the security pledged, they are guilt-edged investments. So, the same financial institutions which the RFC was originally set up to save from bankruptcy, have now butchered the cow and are dividing up the carcass.

#### THE BIGS PROSPER, THE SMALLS SUFFER

No; big business no longer needs credit assistance. Under the new tax law, big-business profits are higher than ever, while small-business profits have dropped. According to the administration's official reports, profits of the giant corporations in the manufacturing field were at the rate of 12 percent, after taxes, in the first 3 quarters of last year. These are the corporations that have more than \$100 million of assets, including those that have up to 6 or 8 billions of assets. In contrast to this profit rate of 12 percent, the smaller corporations—those with less than one-fourth million dollars of assets—had a profit rate of 5 percent. Two years earlier, in the last year of the Democratic administration, the profit rates of the small companies had been about the same as for the supergiants; both were about 11 percent



in the first three quarters of 1952. In other words, under the big-business administration, profits of the giant corporations have gone up, and profits of the smaller corporations have been cut in half. What the figures for the whole of last year look like we do not know. I assume they do not look good, because the administration is holding up their release.

#### MORE BANKRUPTCIES

This week the House Committee on Appropriations reported to the House that the officer who requests appropriations for running our Federal courts has made a significant plea for more money. He reported to the Appropriations Committee that at the present rate with which bankruptcy petitions are being filed, the courts expect to have to handle 65,000 bankruptcies in the present fiscal year, and 75,000 during the next fiscal year. This will be the greatest number of bankruptcies on record, even exceeding the number in 1932.

I am not a profit of gloom and doom. I am merely pointing out what is reported from our Federal courts. I do not even predict that the stock market will soon crash. This huge increase in bankruptcies includes few, if any, big corporations. It merely reflects the worsening status of individuals and small businesses.

#### FTC DEEMPHASIZES DROP IN SMALL-BUSINESS PROFITS

I have had a look behind the story which appeared in the yesterday morning papers, which story is to the effect that profits of manufacturing corporations last year were about the same as in the previous year. The Washington Post and Times Herald headlined this story: "Tax Cuts Kept Profits for 1954 Near 1953."

The FTC's press release on these figures slants the story about the same way, except more so. This release opens up with the statement:

In 1954, profits after taxes of manufacturing corporations amounted to \$11.2 billion, about the same as 1953 and 5 percent higher than 1952.

Then the FTC's press release continued with this statement:

The fourth quarter of 1954 showed a marked pick-up over the corresponding quarter of 1953.

Thus the reader would think that the profits picture is bright: that in the whole year 1954 the profit picture was as good as in the previous year, that it was better than in 1952, and that at the end of 1954 profits were on the way up.

Buried down in FTC's release however, there appears this unobtrusive little sentence:

Generally, small and medium sized firms showed the largest declines while the largest size groups showed little change in the rate of return.

This sentence may turn out to be the understatement of the year. Now what are the facts, according to the FTC's own figures?

The fact is that only the giant corporations had a profit rate, after taxes, as high as in 1953. The profit rate of corporations in every other size class

dropped. The smaller the corporation the greater the drop; and for the smallest corporation, the drop was precipitous. The profit rate of even big corporations just below the giant size class dropped. Specifically, the rate for those corporations with \$50 million to \$100 million of assets dropped. The rate of those corporations with \$10 million to \$50 million of assets dropped. And the rate dropped for every other smaller sized class.

What has happened to the smallest-size class? According to FTC figures the rate of profits of this class—corporations with less than \$¼ million of assets—was less than half what it was in 1953, and only about one-third what it was in 1952. In other words, the profit rate of these smaller corporations dropped by 27 percent from 1952 to 1953, and dropped by another 53 percent from 1953 to 1954.

#### PROSPERITY FOR SUPER GIANTS ONLY

Furthermore, the profit rate for all corporations below the giant-sized class dropped from 1952 to 1953, and dropped again from 1953 to 1954. Only the profit rate of the giant corporations has increased since 1952. This rate was 11.8 percent in 1952; it rose to 12.1 percent in 1953; and it remained at 12.1 percent in 1954. In short, the new business prosperity is strictly a prosperity of the giant corporations. It may, in fact, be a prosperity of only the supergiant corporations. The FTC's grouping method groups together the figures for all corporations above \$100 million of assets, so as to conceal differences between the supergiants, the medium giants, and the just plain giants. For example, they combine the profits of those corporations with \$100 million of assets with those corporations like Standard Oil and General Motors which have \$5 billion and \$6 billion of assets. This means that when they get to the big corporations they combine the figures where the biggest corporation is at least 60 times as big as the smallest corporation in the group. In contrast when they get to the smaller sizes they arrange their grouping so as to put together corporations of a more similar size. For example, the figures for corporations having between \$50 million and \$100 million of assets, so that the largest corporation in the group could not be more than twice as large as the smallest corporation in the group.

#### TREND FOR BIGS UP, FOR SMALLS DOWN

Now what about the direction of profits at the end of the last year? Were they actually on the way up? For the biggest-size classes—yes. The annual profit rate for the giant group increased from 10.8 percent in the third quarter of last year to 13.7 percent in the final quarter of last year. Similarly, as between these two quarters of the year the rate for the \$50 million to \$100 million asset group increased from 8.3 percent to 9.2 percent. But what happened to the smaller-size classes? The profit rate of the next smallest size class—those in the \$5 million to \$10 million asset group—remained the same; the next smaller-size class, those with \$1 million to \$5 million assets, decreased

from 5.6 percent to 5.4 percent; those in the next smaller-size class, the \$¼ million to \$1 million-asset size, dropped from 8.1 percent to 4.6 percent; finally the profit rate of the smallest-size group—those corporations with less than \$¼ million of assets—not only dropped between the third and final quarters of last year, but the figures for the final quarter of last year indicate that these corporations as a whole operated at a loss. Their profit rate was minus 3.5 percent.

The profit rates for all-size classes of corporations, after taxes, and the percentage changes in these rates are shown for the last 3 years below:

| Corporations with total assets of— | Profit rates |      |      | Percent changes |              |
|------------------------------------|--------------|------|------|-----------------|--------------|
|                                    | 1952         | 1953 | 1954 | 1952 to 1954    | 1953 to 1954 |
| Less than \$0.25 million.....      | 9.3          | 6.8  | 3.2  | -65.6           | -52.9        |
| \$0.25 million to \$1 million..... | 7.2          | 7.1  | 6.4  | -11.1           | -9.9         |
| \$1 million to \$5 million.....    | 8.0          | 7.5  | 5.6  | -30.0           | -25.3        |
| \$5 million to \$10 million.....   | 8.8          | 9.2  | 7.4  | -15.9           | -19.6        |
| \$10 million to \$50 million.....  | 9.7          | 9.9  | 8.7  | -10.3           | -12.1        |
| \$50 million to \$100 million..... | 9.9          | 9.4  | 8.7  | -12.1           | -7.4         |
| Over \$100 million.....            | 11.8         | 12.1 | 12.1 | +2.5            | 0            |
| All classes.....                   | 10.3         | 10.5 | 9.9  | -3.9            | -5.7         |

The CHAIRMAN. Does the gentleman from Texas [Mr. WRIGHT] desire to be recognized at this time?

Mr. WRIGHT. I will use my time later.

The CHAIRMAN. Does the gentleman from Georgia [Mr. FORRESTER] desire recognition at this time?

Mr. FORRESTER. I ask unanimous consent to give my time to the gentleman from Texas.

Mr. MASON. Mr. Chairman, is the time set for 25 minutes to 3 definitely set, and is this holding back in time taken out of it?

The CHAIRMAN. The Chair will state the time is definitely set. The Chair is endeavoring to get to the gentlemen who were standing as quickly as possible.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. May those Members who have asked that their time be reserved until later, ask unanimous consent to yield that time to someone else?

The CHAIRMAN. By unanimous consent, the Chair is of the opinion that would be possible.

Does the gentleman from Oklahoma [Mr. ALBERT] desire recognition?

Mr. ALBERT. I ask unanimous consent, Mr. Chairman, to extend my remarks at this point.

Mr. Chairman, one of the most fallacious arguments that we hear in connection with the farm price support legislation is that flexible price supports will bring lower prices to consumers. It has been proven that this simply is not true.

The fact of the matter is that the price received by farmers bears little relationship to the price paid by consumers for farm products.

In the last 5 years prices received by farmers have declined 7 percent. Dur-



ing that same period prices paid by consumers for farm commodities have increased 13 percent.

In 1953 and 1954, while the farm price of wheat was declining 8 percent, the retail price of cereals and bakery products increased 5 percent.

In January 1948 the price of wheat reached a peak of \$2.81 a bushel, and the average price of a 1-pound loaf of bread was 13.8 cents. The price of a bushel of wheat has declined to \$2.14 a bushel, but the average price of a loaf of bread has increased to 17½ cents. Thus, the price of wheat declined 24 percent, while the price of bread was advancing 27 percent. The farm value of the wheat in a loaf of bread is 2.8 cents.

There have been corresponding declines in the farm price of corn and oats and corresponding increases in the price paid by consumers for corn flakes and rolled oats.

The same relationship of farm price to consumer prices is shown in the case of meat products. The average city family spent \$261 a year for meat products in 1947-49 and in 1954 spent \$263 for the same quantity and quality of meats. Farmers received \$176 a year for these meat products in 1947-49 and \$164 in 1954. Thus, the retail cost increased \$2, while the value at the farm dropped \$12 during this period.

The same pattern is shown in fruit and vegetable prices. The typical city family spent \$195 a year for fruit and vegetables in 1947-49 and \$206 for the same quantities and qualities of fruits and vegetables in 1954. The retail cost was increased by \$11, while there was a cut in the prices received by farmers of \$1.

There is a variety of reasons for the disparities in farm and consumer price relationships. Higher labor costs, increasing transportation costs, larger profits in some instances, and increased costs of processing and packaging have contributed to the higher prices for consumers. But the evidence proves conclusively that the farmer has not contributed to higher consumer prices. On the contrary he has suffered a loss of income, while consumer prices have moved steadily upward.

We who favor a 90 percent price-support program for basic commodities do not contend that our proposal will cure all of the ills of farming. But it will help to stabilize farm prices and reverse the trend of recent years of steadily declining income received by farmers.

The average farm price is down 22 percent since February 1951. Net farm income in 1954 was 28 percent below 1947 and 10 percent below 1953. Further declines are in prospect for 1955 and 1956.

Congress must take action to help the farmer recover from the losses he has sustained since the end of World War II. Although this program is not the complete answer, it will provide the necessary stability for farm prices and contribute toward an improved agricultural economy.

[Mr. COOLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. Does the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] desire recognition?

Mr. AUGUST H. ANDRESEN. I reserve my time and ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. Does the gentleman from Texas [Mr. THOMPSON] desire recognition at this time?

Mr. THOMPSON of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and yield my time to the Speaker.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Chairman, as was said by the gentleman from North Carolina, the chairman of the Agriculture Committee [Mr. COOLEY], in his opening remarks Tuesday, the issue before the House is in no sense new. I have listened to the debate and have heard nothing that I had not already heard. There is no question in my mind as to the sincerity and good intentions of every Member who has spoken either for or against fixed price supports.

Leaving aside the opinions expressed to me by the grass roots farmers of my district, I cannot help recalling some of the business people who have discussed the subject with me. These are bankers and merchants in the communities which serve my farmers. They have been among the most emphatic in urging that price supports be fixed, and they give as their principal reason the fact that they extend credit to the farmers—credit with which to buy machinery and fertilizer and seed, they feel that unless they have some definite price support, their equity is not particularly dependable and the amount of the credit which they would extend would be cut accordingly.

Just as a workman can obtain credit on the basis of his minimum wage, so is the farmer extended credit on the basis of his minimum wage which, in this case, is his price support. There is no more reason to ask a farmer to accept a sliding scale on his minimum income than to ask a workman to accept it for his. Also, it should be remembered that the sliding scale on farm products is designed to apply when the need is the greatest. The worse you need it, the less you get.

There is one group connected with the cotton business which is very frankly in favor of cutting price supports down, and if they had their way they would remove them entirely. These are the people who profit only through the handling of the cotton after it leaves the farm. Some of them are completely selfish and say without hesitation that they want to fix it so that the farmer will produce more in order that they may have more buy-

ing and selling transactions and, thereby, increase their own income.

I hasten to add that this does not apply to all in this category. Some of them are farsighted enough to realize that their prosperity would be short-lived; and that without some sort of a farm program and some reasonable prosperity for the producer, the goose that lays the golden egg would very soon be dead.

I am impressed with the fact that alined on the flexible side of this controversy you will find all of the people who will tell you that they would like to see the whole farm program killed. In this Chamber there are many who have no interest, or at least no direct interest, in the problem at hand. They may be swayed by the fact that many members of national farm organizations and some farm organizations as such recommend flexible as against fixed price supports.

Let me remind these neutrals that a majority of the individuals engaged in agriculture and members of farm organizations do not produce the basic crops which are affected by today's decision. The basic producers are very strongly in favor of the fixed program which we now recommend to you.

I urge you, therefore, to listen to the request of the man who is involved and vote with committee in favor of H. R. 12.

The CHAIRMAN. Does the gentleman from Alabama [Mr. ELLIOTT] desire recognition at this time?

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and to yield my time to the Speaker.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, on yesterday I spoke in favor of the bill, H. R. 12, which is the pending business before the House. The bill seeks to restore 90 percent parity price supports for the basic commodities of cotton, corn, wheat, peanuts, rice, and tobacco, instead of the sliding scale supports of 82½ to 90 percent of parity as now in effect.

It should be pointed out that under the law now in effect, these same price supports will next year slide or operate between 75 percent and 90 percent of parity, unless we pass this bill.

At the outset, I want to express my hope that when the debate on amendments to the bill is finished this afternoon, the House will reverse the action it took yesterday when it removed peanuts from the list of the six basic farm crops for parity price-support purposes.

In other words, the first vote this afternoon will be on the question of whether or not peanuts continue to be one of the basic crops, along with cotton, corn, wheat, rice, and tobacco and, if such, supported by the price-support level prescribed for the basic crops.

I have listened to most of the debate on this bill, and I have gotten the definite impression that the Secretary of Agriculture has not asked that peanuts be eliminated from the list of six basic crops. There is no intimation that the



President has asked that peanuts be eliminated. In other words, the people charged by law with directing our agricultural policy, namely the President of the United States and his Secretary of Agriculture, have not asked that peanuts be stricken from the list. The candy manufacturers have asked that peanuts be stricken from the list of six basic crops.

So, Mr. Chairman, the question before the House is Who is to determine the farm policy of this country, the Secretary of Agriculture or the candy manufacturers?

Unfortunately, the President and the Secretary of Agriculture do support sliding-scale parity prices, this year between 82½ and 90 percent, and next year between 75 and 90 percent.

Many members of the President's political party cry that the sliding scale of parity supports has not yet had a fair trial. They ask that the new sliding scale be given a period of time in which to operate.

Those of us who support this bill say that we are trying to save the American farmer, caught in the clutch of a cost-price squeeze which recently has been reducing his income at the rate of 10 percent a year, from the further reductions in his income that will necessarily follow the further reduction of his parity price supports.

I think I have the right to speak for the small farmer. The Seventh Congressional District of Alabama is a district of small farmers. The 1950 Census recorded that our district had more than 34,000 small farmers. The small farmer cannot stand another reduction in his income. As a matter of fact, he cannot stand the reductions he has already had.

Government cannot do everything. But, one of the things it can do is keep parity price supports for farm products at the level of at least 90 percent. Ninety-percent parity price supports will not solve the farm problem in America. But to lower those supports will, within a short time, make the farm problem much worse than it now is.

Mr. Chairman, Members of this body know that I have fought for the interests of the small farmer. They know that I tried earlier this year to obtain an amendment to the cotton-allotment laws that would have provided that no cotton farmer be allotted less than 5 acres of cotton under this program. We have come to the point in the administration of our acreage quota and allotment laws that we must write a floor into the law, and provide that no farmer will be given an allotment of less than 5 acres of cotton.

Of course, no one would argue that the farmer can make a living on 5 acres of cotton. His economy must be diversified, and he must have more than one source of income that cotton provides. However, his cotton acreage must not be reduced to the point where it is ineffective as a real source of his income.

The time has come in this country when we must have a realistic farm policy that will bolster the individual farm, and provide means whereby the small farmer can diversify and can earn for

himself a living that is comparable to that of his city cousin. To do this, he is going to need more credit, more convenient sources of credit, and longer terms of repayment. He must be encouraged to diversify, and must be encouraged to own his own farm.

I represent a district in which there continues to be a lot of farm tenancy. I know what it is to be the son of a tenant farmer on a hillside farm. I know the problems, the heartaches, the want, the loneliness, and the lack of opportunity that is so often associated with farm tenancy of the type we have known in the South. We must pass laws that will lead to farm ownership. We must encourage farm ownership. We must encourage diversification. We must encourage the continuance of the stabilizing influence of the farm on our American life.

I want to compliment the House Committee on Agriculture, and its chairman, the gentleman from North Carolina [Mr. COOLEY], for bringing this bill to restore 90-percent parity supports to our basic crops. I hope the bill passes.

Then, Mr. Chairman, I want to urge that the Committee on Agriculture hold early hearings on the problems of the small farmer. The Government must do what it can to help him solve these problems and preserve and protect the economic and social integrity of the small farm.

(By unanimous consent, Mr. ABBITT, Mr. JOHNSON of Wisconsin, Mr. KNOX, Mr. WRIGHT, Mr. POLK, Mr. EDMONDSON, Mr. BASS of Tennessee, Mr. PATMAN, and Mr. ANFUSO yielded their time to the Speaker.)

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. How much time has been allotted to the distinguished Speaker?

The CHAIRMAN. As well as the Chair is able to tabulate the time now, 6 minutes have been yielded to the Speaker, but the Chair would like to point out that some of the time fixed has been lost through parliamentary inquiries, points of order, and other inquiries directed to the Chair. It is entirely conceivable that it may not be possible to reach all Members whose names are listed.

Does the gentleman from Iowa [Mr. GROSS] desire recognition?

Mr. GROSS. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. GROSS. In this 1 minute allotted to me, Mr. Chairman, I should like to point out for the benefit of those whose districts are comprised largely of consumers, that consumers paid 3 percent less for farm products in their market baskets in the first quarter of this year, while farmers received 8 percent less. How anyone can support a parity program of less than 90 percent and expect to maintain the economy of this country I do not know.

I should also like to go back to the colloquy I had this morning with the gentleman from Utah [Mr. DIXON]. I said

that yesterday the gentleman, in opposing the 90-percent program, insisted upon invoking the law of supply and demand. He apparently thought he did not make that statement. I should like to read an excerpt from what he said yesterday:

We must remember that the American economy is still based upon supply and demand.

The CHAIRMAN. The Chair recognizes the gentleman from Texas, the distinguished Speaker of the House, to close the debate, for 6½ minutes.

Mr. RAYBURN. Mr. Chairman, I have watched with a great deal of interest this debate as it has gone along. I find this to be true, that practically everyone who votes, especially on my left, for the so-called peanut amendment is against this bill in toto. Therefore, it is good strategy, and I compliment the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from Indiana [Mr. HALLECK] for this strategy, because I feel sure that they think if the so-called peanut amendment is adopted we will not have a chance to vote on 90 percent parity and in all probability this bill will be killed by being recommitted. So it would appear to me that everyone on both sides of the aisle who are for 90 percent of parity for these basic products will certainly vote against the amendment when we go back in the House.

Mr. Chairman, I cannot see how anyone, even the peanut candy manufacturing people themselves, would be benefited by this amendment, as the gentleman from North Carolina has so well stated. To those of us who believe in 90 percent of parity, in the face of falling farm prices, it would seem that we should not try to put anything in this bill that will hamstring that effort, especially for those farmers who farm the least unit of any farmer in the United States. Those farmers, and I know because there are peanuts produced in my neighborhood, are in a desperate situation at this time. I believe that it will help no one, and let me repeat, not even the candy manufacturing people. I do not criticize them for being here. They think they are right, I think they are wrong. I believe they are flying in their own faces and that in the future and on future legislation they may regret their actions in this matter. Yet I do not criticize them, I do not threaten them, I do not view legislation with prejudice. I try to view things as they are.

So if we want a bill at all, the only thing to do, when we get back into the House, is to vote down the so-called peanut amendment.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. SIXES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, pursuant to House Resolution 224, he reported the bill back to the House with



sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. COOLEY. Mr. Speaker, I demand a separate vote on the Green amendment, the so-called peanut amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Pennsylvania: On page 1, after line 2, insert the following new section:

"That (a) section 101 (b) of the Agricultural Act of 1949 is amended by striking out 'and peanuts' in each place it appears therein. Section 408 (c) of such act is amended by striking out 'peanuts.'

"(b) (1) Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended (relating to marketing quotas for peanuts), is hereby repealed.

"(2) Section 301 (b) (1) (B) of such act is amended by striking out 'cotton, rice, or peanuts' and inserting 'cotton or rice.'

"(3) Section 301 (b) (3) (A) of such act is amended by striking out 'corn, rice, and peanuts' and inserting 'corn and rice.'

"(4) Section 301 (b) (6) (C) of such act is hereby repealed.

"(5) Section 301 (b) (10) (A) of such act is amended by striking out 'wheat, and peanuts' and inserting 'and wheat'; and by striking out '20 percent in the case of wheat; and 15 percent in the case of peanuts' and inserting 'and 20 percent in the case of wheat.'

"(6) Section 301 (b) (13) (B) of such act is amended by striking out 'or peanuts' in each place it appears in the first sentence; and by striking out the second sentence.

"(7) Section 301 (b) (13) (E) of such act is amended by striking out 'cotton, or peanuts' in the first two places it appears and inserting 'for cotton'; by striking out 'corn, cotton, or peanuts' in each place it appears and inserting 'corn or cotton'; and by striking out the sentence which begins as follows: 'For 1942, the normal yield for any farm, in the case of peanuts.'

"(8) Section 301 (b) (16) (A) of such act is amended by striking out 'rice, and peanuts' and inserting 'and rice.'

"(9) Section 361 of such act is amended by striking out 'peanuts.'

"(10) Sections 371 (a) and 371 (b) of such act are each amended by striking out 'peanuts.'

"(11) The first sentence of section 373 (a) of such act is amended to read as follows: 'This subsection shall apply to warehousemen, processors, and common carriers of corn, wheat, cotton, rice, or tobacco, and all ginners of cotton, all persons engaged in the business of purchasing corn, wheat, cotton, rice, or tobacco from producers, and all persons engaged in the business of redrying, prizing, or stemming tobacco for producers.' Section 373 (b) of such act is amended by striking out 'peanuts.'

"(12) Section 374 (a) of such act is amended by striking out 'peanuts.'

"(13) Section 375 (a) of such act is amended by striking out 'peanuts.'

Mr. MASON (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the amendment.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 193, nays 215, answered "present" 2, not voting 24, as follows:

[Roll No. 46]

YEAS—193

|                |                 |                 |
|----------------|-----------------|-----------------|
| Adair          | Frellinghuysen  | O'Hara, Minn.   |
| Alger          | Fulton          | O'Neill         |
| Allen, Calif.  | Gamble          | Osmer           |
| Allen, Ill.    | Gavin           | Ostertag        |
| Arends         | Green, Pa.      | Patterson       |
| Auchincloss    | Gubser          | Pelly           |
| Avery          | Gwinn           | Philbin         |
| Ayres          | Hale            | Phillips        |
| Baker          | Halleck         | Pillion         |
| Baldwin        | Hand            | Prouty          |
| Bass, N. H.    | Harden          | Quigley         |
| Bates          | Harrison, Nebr. | Radwan          |
| Baumhart       | Hays, Ohio      | Ray             |
| Beamer         | Henderson       | Reece, Tenn.    |
| Becker         | Hess            | Rees, Kans.     |
| Belcher        | Hlestand        | Rhodes, Ariz.   |
| Bennett, Mich. | Hill            | Robison, Ky.    |
| Bentley        | Hillings        | Rogers, Mass.   |
| Betts          | Hinshaw         | Sadlak          |
| Boland         | Hoffman, Ill.   | St. George      |
| Bolton,        | Hoffman, Mich.  | Saylor          |
| Frances P.     | Holmes          | Schenck         |
| Bosch          | Holt            | Scherer         |
| Bow            | Horan           | Schwengel       |
| Bray           | Hosmer          | Scott           |
| Brown, Ohio    | Hyde            | Scrivner        |
| Brownson       | Jackson         | Scudder         |
| Budge          | James           | Seely-Brown     |
| Bush           | Jenkins         | Sheehan         |
| Byrnes, Wis.   | Johansen        | Short           |
| Carrigg        | Johnson, Calif. | Siler           |
| Cederberg      | Jonas           | Simpson, Ill.   |
| Chase          | Judd            | Simpson, Pa.    |
| Chenoweth      | Kean            | Smith, Kans.    |
| Chiperfield    | Kearney         | Smith, Wis.     |
| Church         | Kearns          | Springer        |
| Clevenger      | Keating         | Taber           |
| Cole           | Kling, Pa.      | Talle           |
| Coon           | Knox            | Taylor          |
| Corbett        | Laird           | Teague, Calif.  |
| Coudert        | Lane            | Thompson,       |
| Cramer         | Latham          | Mich.           |
| Cretella       | LeCompte        | Thomson, Wyo.   |
| Crumpacker     | Lipscomb        | Tollefson       |
| Cunningham     | McConnell       | Utt             |
| Curtis, Mass.  | McDonough       | Van Pelt        |
| Curtis, Mo.    | McGregor        | Van Zandt       |
| Dague          | McIntire        | Velde           |
| Davis, Ga.     | McVey           | Vorys           |
| Davis, Wis.    | Mack, Ill.      | Vursell         |
| Dawson, Utah   | Mack, Wash.     | Wainwright      |
| Derounian      | Malillard       | Weaver          |
| Devereux       | Martin          | Westland        |
| Dixon          | Mason           | Wharton         |
| Dolliver       | Meador          | Widnall         |
| Dondero        | Merrow          | Wigglesworth    |
| Donohue        | Miller, Md.     | Williams, N. Y. |
| Donovan        | Miller, Nebr.   | Wilson, Calif.  |
| Dorn, N. Y.    | Miller, N. Y.   | Wilson, Ind.    |
| Ellsworth      | Minshall        | Withrow         |
| Fenton         | Morano          | Wolcott         |
| Fino           | Nelson          | Yates           |
| Fjare          | Nicholson       | Young           |
| Fogarty        | Norblad         | Younger         |
| Ford           | O'Brien, Ill.   | Zablocki        |

NAYS—215

|             |               |              |
|-------------|---------------|--------------|
| Abbutt      | Bennett, Fla. | Burnside     |
| Abernethy   | Berry         | Byrd         |
| Addonizio   | Blatnik       | Byrne, Pa.   |
| Albert      | Blich         | Cannon       |
| Alexander   | Boggs         | Carlyle      |
| Andersen,   | Bolling       | Carnahan     |
| H. Carl     | Bonner        | Celler       |
| Andrews     | Bowler        | Chelf        |
| Anfuso      | Boykin        | Christopher  |
| Ashley      | Boyle         | Chudoff      |
| Ashmore     | Brooks, La.   | Clark        |
| Aspinall    | Brooks, Tex.  | Colmer       |
| Bailey      | Brown, Ga.    | Cooley       |
| Barden      | Broyhill      | Cooper       |
| Barrett     | Buchanan      | Davidson     |
| Bass, Tenn. | Burdick       | Dawson, Ill. |
| Bell        | Burleson      | Deane        |

|               |                |                 |
|---------------|----------------|-----------------|
| Delaney       | Ikard          | Poff            |
| Dempsey       | Jarman         | Polk            |
| Denton        | Jennings       | Powell          |
| Dies          | Jensen         | Preston         |
| Diggs         | Johnson, Wis.  | Price           |
| Dingell       | Jones, Ala.    | Priest          |
| Dodd          | Jones, Mo.     | Rabaut          |
| Dollinger     | Jones, N. C.   | Rains           |
| Dorn, S. C.   | Karsten        | Reuss           |
| Dowdy         | Kee            | Rhodes, Pa.     |
| Doyle         | Kelley, Pa.    | Richards        |
| Durham        | Keogh          | Riley           |
| Edmondson     | Kilday         | Rivers          |
| Elliott       | Kilgore        | Robeson, Va.    |
| Engle         | Kling, Calif.  | Rodino          |
| Evins         | Klein          | Rogers, Colo.   |
| Fascell       | Kluczynski     | Rogers, Fla.    |
| Feighan       | Knutson        | Rogers, Tex.    |
| Fernandez     | Krueger        | Rooney          |
| Fine          | Landrum        | Roosevelt       |
| Fisher        | Lanham         | Rutherford      |
| Flood         | Lankford       | Selden          |
| Flynt         | Lesinski       | Shelley         |
| Forand        | Long           | Shuford         |
| Forrester     | Lovre          | Sikes           |
| Fountain      | McCormack      | Sisk            |
| Frazier       | McDowell       | Smith, Miss.    |
| Friedel       | McMillan       | Smith, Va.      |
| Garmatz       | Macdonald      | Spence          |
| Gary          | Machrowicz     | Staggers        |
| Gathings      | Madden         | Steed           |
| Gentry        | Magnuson       | Sullivan        |
| George        | Mahon          | Teague, Tex.    |
| Gordon        | Marshall       | Thomas          |
| Granahan      | Matthews       | Thompson, La.   |
| Grant         | Metcalf        | Thompson, N. J. |
| Gray          | Miller, Calif. | Thompson, Tex.  |
| Green, Oreg   | Mills          | Thornberry      |
| Griffiths     | Mollohan       | Trimble         |
| Gross         | Morgan         | Tuck            |
| Hagen         | Morrison       | Tumulty         |
| Haley         | Moss           | Udall           |
| Hardy         | Moulder        | Vanik           |
| Harris        | Murray, Ill.   | Vinson          |
| Harrison, Va. | Murray, Tenn.  | Watts           |
| Harvey        | Natcher        | Whitten         |
| Hays, Ark.    | Norrell        | Wickersham      |
| Hayworth      | O'Brien, N. Y. | Wier            |
| Hébert        | O'Hara, Ill.   | Williams, Miss. |
| Herlong       | Passman        | Williams, N. J. |
| Hoeven        | Patman         | Willis          |
| Holtzman      | Perkins        | Winstead        |
| Hope          | Pfost          | Wolverton       |
| Huddleston    | Pilcher        | Wright          |
| Hull          | Poage          | Zalenko         |

ANSWERED "PRESENT"—2

Andresen, August H.

Multer

NOT VOTING—24

|              |              |             |
|--------------|--------------|-------------|
| Bolton,      | Heselton     | Reed, Ill.  |
| Oliver P.    | Hollfield    | Reed, N. Y. |
| Buckley      | Kelly, N. Y. | Riehlman    |
| Canfield     | Kilburn      | Roberts     |
| Chatham      | Kirwan       | Sheppard    |
| Davis, Tenn. | McCarthy     | Sieminski   |
| Eberharter   | McCulloch    | Walter      |
| Fallon       | Mumma        |             |
| Gregory      | O'Konski     |             |

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reed of New York for, with Mr. August H. Andresen against.

Mr. Kilburn for, with Mr. O'Konski against.

Mr. Heselton for, with Mr. Roberts against.

Mrs. Kelly of New York for, with Mr. Davis of Tennessee against.

Mr. Multer for, with Mr. Buckley against.

Mr. Reed of Illinois for, with Mr. Chatham against.

Until further notice:

Mr. Eberharter with Mr. Oliver P. Bolton.

Mr. Fallon with Mr. McCulloch.

Mr. Walter with Mr. Canfield.

Mr. Hollfield with Mr. Riehlman.

Mr. Sieminski with Mr. Mumma.

Mr. MULTER. Mr. Speaker, I voted "yea." I have a live pair with the gentleman from New York, Mr. BUCKLEY. If he were present he would have voted "nay." I therefore withdraw my vote and vote "present."



Mr. BUSH changed his vote from "nay" to "yea."

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I voted "nay." I have a live pair with the gentleman from New York, Mr. REED. Were he present he would have voted "yea." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HILL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HILL. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion. The Clerk read as follows:

Mr. HILL moves to recommit the bill to the Committee on Agriculture for further study.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MARTIN. Mr. Speaker, on this motion I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 212, answered "present" 3, not voting 20, as follows:

[Roll No. 47]

YEAS—199

|               |                 |                 |
|---------------|-----------------|-----------------|
| Adair         | Davis, Wis.     | Holt            |
| Alger         | Dawson, Utah    | Holtzman        |
| Allen, Calif. | Delaney         | Horan           |
| Allen, Ill.   | Demsey          | Hosmer          |
| Arends        | Derounian       | Hyde            |
| Auchincloss   | Devereux        | Jackson         |
| Ayres         | Dixon           | James           |
| Baker         | Dodd            | Jenkins         |
| Baldwin       | Dolliver        | Johansen        |
| Bass, N. H.   | Dondero         | Johnson, Calif. |
| Bates         | Donohue         | Jonas           |
| Baumhart      | Donovan         | Judd            |
| Beamer        | Dorn, N. Y.     | Kean            |
| Becker        | Ellsworth       | Kearney         |
| Belcher       | Engle           | Kearns          |
| Bentley       | Fenton          | Keating         |
| Betts         | Fernandez       | King, Pa.       |
| Bolton        | Fino            | Kirwan          |
| Frances P.    | Fjare           | Knox            |
| Bosch         | Fogarty         | Laird           |
| Bow           | Ford            | Lane            |
| Bray          | Frelinghuysen   | Latham          |
| Brown, Ohio   | Fulton          | LeCompte        |
| Brownson      | Gamble          | Lipcomb         |
| Broyhill      | Gary            | McConnell       |
| Budge         | Gavin           | McDonough       |
| Bush          | Gentry          | McGregor        |
| Byrnes, Wis.  | Gubser          | McIntire        |
| Carrigg       | Gwinn           | McVey           |
| Cederberg     | Hagen           | Mack, Ill.      |
| Chase         | Hale            | Mack, Wash.     |
| Chenoweth     | Halleck         | Mailhard        |
| Chipherfield  | Hand            | Martin          |
| Church        | Harden          | Mason           |
| Clevenger     | Harrison, Nebr. | Meador          |
| Cole          | Harrison, Va.   | Morrow          |
| Coon          | Harvey          | Miller, Md.     |
| Corbett       | Henderson       | Miller, Nebr.   |
| Coudert       | Hess            | Miller, N. Y.   |
| Cramer        | Hiestand        | Minshall        |
| Cretella      | Hill            | Morano          |
| Crumpacker    | Hillings        | Nelson          |
| Cunningham    | Hinshaw         | Nicholson       |
| Curtis, Mass. | Hoffman, Ill.   | Norblad         |
| Curtis, Mo.   | Hoffman, Mich.  | O'Neill         |
| Dague         | Holmes          | Osmer           |

Ostertag  
Patterson  
Pelly  
Philbin  
Phillips  
Pillion  
Poff  
Prouty  
Radwan  
Ray  
Reece, Tenn.  
Rhodes, Ariz.  
Rhodes, Pa.  
Robeson, Va.  
Robison, Ky.  
Rogers, Mass.  
Sadlak  
St. George  
Saylor  
Schenck  
Scherer

Abbitt  
Abernethy  
Addonizio  
Albert  
Alexander  
Andersen,  
H. Carl  
Andresen,  
August H.  
Andrews  
Anfuso  
Ashley  
Ashmore  
Aspinall  
Avery  
Bailey  
Barden  
Barrett  
Bass, Tenn.  
Bell  
Bennett, Fla.  
Bennett, Mich.  
Berry  
Blatnik  
Blitch  
Boggs  
Boland  
Bolling  
Bonner  
Bowler  
Boykin  
Boyle  
Brooks, La.  
Brooks, Tex.  
Brown, Ga.  
Buchanan  
Burdick  
Burleson  
Burnside  
Byrd  
Byrne, Pa.  
Cannon  
Carlyle  
Carnahan  
Celler  
Chelf  
Christopher  
Chudoff  
Clark  
Colmer  
Cooler  
Cooper  
Davidson  
Davis, Ga.  
Dawson, Ill.  
Deane  
Denton  
Dies  
Diggs  
Dingell  
Dollinger  
Dollinger  
Dorn, S. C.  
Dowdy  
Doyle  
Durham  
Edmondson  
Elliott  
Evins  
Feighan  
Fine  
Fisher  
Flood

Fascell  
  
Bolton,  
Oliver P.  
Buckley  
Canfield  
Chatham

Schwengel  
Scott  
Scrivner  
Scudder  
Seely-Brown  
Sheehan  
Short  
Siler  
Simpson, Ill.  
Simpson, Pa.  
Smith, Va.  
Smith, Wis.  
Staggers  
Taber  
Talle  
Taylor  
Teague, Calif.  
Thomas  
Thompson,  
Mich.  
Thomson, Wyo.

NAYS—212

Flynt  
Forand  
Forrester  
Fountain  
Frazier  
Friedel  
Garmatz  
Gathings  
George  
Gordon  
Granahan  
Grant  
Gray  
Green, Oreg.  
Green, Pa.  
Griffiths  
Gross  
Haley  
Hardy  
Harris  
Hays, Ark.  
Hays, Ohio  
Hayworth  
Hébert  
Hoeven  
Hope  
Huddleston  
Hull  
Ikard  
Jarman  
Jennings  
Jensen  
Johnson, Wis.  
Jones, Ala.  
Jones, Mo.  
Jones, N. C.  
Karsten  
Kee  
Kelley, Pa.  
Keogh  
Kilday  
Kilgore  
King, Calif.  
Klein  
Kluczynski  
Knutson  
Krueger  
Landrum  
Lanham  
Lankford  
Lesinski  
Long  
Love  
McCarthy  
McCormack  
McDowell  
McMillan  
Macdonald  
Machrowicz  
Madden  
Magnuson  
Mahon  
Marshall  
Mathews  
Metcalf  
Miller, Calif.  
Mills  
Mollahan  
Morgan  
Morrison  
Moss  
Moulder

ANSWERED "PRESENT"—3

NOT VOTING—20

Davis, Tenn.  
Eberharter  
Fallon  
Gregory  
Heseltun

Tollefson  
Udall  
Utt  
Van Pelt  
Van Zandt  
Velde  
Vorys  
Vursell  
Wainwright  
Westland  
Wharton  
Widnall  
Wigglesworth  
Williams, N. Y.  
Wilson, Calif.  
Wilson, Ind.  
Withrow  
Wolcott  
Wolverton  
Young  
Younger

Multer  
Murray, Ill.  
Murray, Tenn.  
Natcher  
Norrell  
O'Brien, Ill.  
O'Brien, N. Y.  
O'Hara, Ill.  
O'Hara, Minn.  
O'Konski  
Passman  
Patman  
Perkins  
Pfost  
Pilcher  
Poage  
Polk  
Powell  
Preston  
Price  
Priest  
Quigley  
Rabaut  
Rains  
Rees, Kans.  
Reuss  
Richards  
Riley  
Rivers  
Rodino  
Rogers, Colo.  
Rogers, Fla.  
Rogers, Tex.  
Rooney  
Roosevelt  
Rutherford  
Selden  
Shelley  
Sheppard  
Shuford  
Sikes  
Sisk  
Smith, Kans.  
Smith, Miss.  
Spence  
Springer  
Steed  
Sullivan  
Teague, Tex.  
Thompson, La.  
Thompson, N. J.  
Thompson, Tex.  
Thornberry  
Trimble  
Tuck  
Tumulty  
Vanik  
Vinson  
Watts  
Weaver  
Whitten  
Wickersham  
Wier  
Williams, Miss.  
Williams, N. J.  
Wills  
Winstead  
Wright  
Zablocki  
Zelenko

Reed, Ill.  
Reed, N. Y.

Riehlman  
Roberts

Sieminski  
Walter

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kilburn for, with Mr. Eberharter against.

Mrs. Kelly of New York for, with Mr. Roberts against.

Mr. Fascell for, with Mr. Davis of Tennessee against.

Mr. Yates for, with Mr. Buckley against.

Mr. Herlong for, with Mr. Chatham against.

Mr. Fallon for, with Mr. Sieminski against.

Mr. Heseltun for, with Mr. Hollifield against.

Mr. Reed of Illinois for, with Mr. Gregory against.

Until further notice:

Mr. Walter with Mr. Reed of New York.

Mr. FASCELL. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. DAVIS. If he were present, he would vote "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HERLONG. Mr. Speaker, I have a live pair with the gentleman from North Carolina, Mr. CHATHAM. If he were present, he would vote "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. DODD changed his vote from "nay" to "yea."

Mr. YATES. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. BUCKLEY. If he were present, he would vote "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 206, nays 201, answered "present" 5, not voting 22, as follows:

[Roll No. 48]

YEAS—206

|                |              |               |
|----------------|--------------|---------------|
| Abbitt         | Byrne, Pa.   | Gathings      |
| Abernethy      | Cannon       | Gentry        |
| Addonizio      | Carlyle      | George        |
| Albert         | Carnahan     | Gordon        |
| Alexander      | Celler       | Granahan      |
| Andersen,      | Chelf        | Grant         |
| H. Carl        | Christopher  | Gray          |
| Andresen,      | Chudoff      | Green, Oreg.  |
| August H.      | Clark        | Green, Pa.    |
| Andrews        | Colmer       | Griffiths     |
| Anfuso         | Cooley       | Gross         |
| Ashley         | Cooper       | Hardy         |
| Ashmore        | Davidson     | Harris        |
| Aspinall       | Davis, Ga.   | Hays, Ark.    |
| Avery          | Dawson, Ill. | Hays, Ohio    |
| Barden         | Deane        | Hébert        |
| Barrett        | Denton       | Hoeven        |
| Bass, Tenn.    | Dies         | Hope          |
| Bell           | Diggs        | Horan         |
| Bennett, Fla.  | Dingell      | Huddleston    |
| Bennett, Mich. | Dollinger    | Hull          |
| Berry          | Dorn, S. C.  | Ikard         |
| Blatnik        | Dowdy        | Jarman        |
| Blitch         | Doyle        | Jennings      |
| Boggs          | Durham       | Jensen        |
| Bolling        | Edmondson    | Johnson, Wis. |
| Bonner         | Elliott      | Jones, Ala.   |
| Bowler         | Evins        | Jones, Mo.    |
| Boykin         | Feighan      | Jones, N. C.  |
| Boyle          | Fine         | Karsten       |
| Brooks, La.    | Fisher       | Kee           |
| Brooks, Tex.   | Flood        | Kelley, Pa.   |
| Brown, Ga.     | Flynt        | Keogh         |
| Buchanan       | Forrester    | Kilday        |
| Burdick        | Fountain     | Kilgore       |
| Burleson       | Frazier      | King, Calif.  |
| Burnside       | Friedel      | Klein         |
| Byrd           | Garmatz      | Kluczynski    |



|                |                |                 |
|----------------|----------------|-----------------|
| Knutson        | O'Brien, N. Y. | Sikes           |
| Krueger        | O'Hara, Ill.   | Sisk            |
| Landrum        | O'Hara, Minn.  | Smith, Kans.    |
| Lanham         | O'Konski       | Smith, Miss.    |
| Lankford       | Passman        | Spence          |
| Lesinski       | Patman         | Springer        |
| Long           | Perkins        | Steed           |
| Lovre          | Pfost          | Sullivan        |
| McCarthy       | Pilcher        | Talle           |
| McCormack      | Poage          | Teague, Tex.    |
| McDowell       | Polk           | Thompson, La.   |
| McMillan       | Powell         | Thompson, N. J. |
| Machrowicz     | Preston        | Thompson, Tex.  |
| Madden         | Price          | Thornberry      |
| Magnuson       | Priest         | Trimble         |
| Mahon          | Rabaut         | Tuck            |
| Marshall       | Rains          | Tumulty         |
| Matthews       | Rees, Kans.    | Vanik           |
| Metcalf        | Reuss          | Vinson          |
| Miller, Calif. | Richards       | Watts           |
| Mills          | Riley          | Weaver          |
| Mollohan       | Rivers         | Whitten         |
| Morgan         | Rodino         | Wickersham      |
| Morrison       | Rogers, Colo.  | Wier            |
| Moss           | Rogers, Tex.   | Williams, Miss. |
| Moulder        | Rooney         | Willis          |
| Multer         | Roosevelt      | Winstead        |
| Murray, Ill.   | Rutherford     | Wright          |
| Murray, Tenn.  | Selden         | Zablocki        |
| Natcher        | Shelley        | Zelenko         |
| Norrell        | Sheppard       |                 |
| O'Brien, Ill.  | Shuford        |                 |

## NAYS—201

|               |                 |                 |
|---------------|-----------------|-----------------|
| Adair         | Frelinghuysen   | Norblad         |
| Alger         | Fulton          | O'Neill         |
| Allen, Calif. | Gamble          | Osmer           |
| Allen, Ill.   | Gary            | Ostertag        |
| Arends        | Gavin           | Patterson       |
| Auchincloss   | Gubser          | Pelly           |
| Ayres         | Gwinn           | Philbin         |
| Baker         | Hagen           | Phillips        |
| Baldwin       | Hale            | Pillion         |
| Bass, N. H.   | Halleck         | Poff            |
| Bates         | Hand            | Prouty          |
| Baumhart      | Harden          | Quigley         |
| Beamer        | Harrison, Nebr. | Radwan          |
| Becker        | Harrison, Va.   | Ray             |
| Belcher       | Harvey          | Reece, Tenn.    |
| Bentley       | Hayworth        | Rhodes, Ariz.   |
| Betts         | Henderson       | Rhodes, Pa.     |
| Boland        | Hess            | Robeson, Va.    |
| Bolton        | Hiestand        | Robson, Ky.     |
| Frances P.    | Hill            | Rogers, Fla.    |
| Bosch         | Hillings        | Rogers, Mass.   |
| Bow           | Hinshaw         | Sadlak          |
| Bray          | Hoffman, Ill.   | St. George      |
| Brown, Ohio   | Hoffman, Mich.  | Saylor          |
| Brownson      | Holmes          | Schenck         |
| Broyhill      | Holt            | Scherer         |
| Budge         | Holtzman        | Schwengel       |
| Bush          | Hosmer          | Scott           |
| Byrnes, Wis.  | Hyde            | Scrivner        |
| Carrigg       | Jackson         | Scudder         |
| Cederberg     | James           | Seely-Brown     |
| Chase         | Jenkins         | Sheehan         |
| Chenoweth     | Johansen        | Short           |
| Chiperfield   | Johnson, Calif. | Siler           |
| Church        | Jonas           | Simpson, Ill.   |
| Clevenger     | Judd            | Simpson, Pa.    |
| Cole          | Kean            | Smith, Va.      |
| Coon          | Kearney         | Smith, Wis.     |
| Corbett       | Kearns          | Taber           |
| Coudert       | Keating         | Taylor          |
| Cramer        | King, Pa.       | Teague, Calif.  |
| Cretella      | Kirwan          | Thomas          |
| Crumpacker    | Knox            | Thompson,       |
| Cunningham    | Laird           | Mich.           |
| Curtis, Mass. | Lane            | Thomson, Wyo.   |
| Curtis, Mo.   | Latham          | Tollefson       |
| Dague         | LeCompte        | Udall           |
| Davis, Wis.   | Lipscomb        | Utt             |
| Dawson, Utah  | McConnell       | Van Pelt        |
| Delaney       | McDonough       | Van Zandt       |
| Dempsey       | McGregor        | Velde           |
| Derounian     | McIntire        | Vorys           |
| Devereux      | McVey           | Vursell         |
| Dixon         | Macdonald       | Wainwright      |
| Dodd          | Mack, Ill.      | Westland        |
| Dondero       | Mack, Wash.     | Wharton         |
| Donohue       | Maillard        | Widnall         |
| Donovan       | Martin          | Wigglesworth    |
| Dorn, N. Y.   | Mason           | Williams, N. Y. |
| Ellsworth     | Meador          | Wilson, Calif.  |
| Engle         | Morrow          | Wilson, Ind.    |
| Fenton        | Miller, Md.     | Withrow         |
| Fernandez     | Miller, Nebr.   | Wolcott         |
| Fino          | Miller, N. Y.   | Wolverton       |
| Fjare         | Minshall        | Yates           |
| Fogarty       | Morano          | Young           |
| Forand        | Nelson          | Younger         |
| Ford          | Nicholson       |                 |

## ANSWERED "PRESENT"—5

|          |         |                 |
|----------|---------|-----------------|
| Dolliver | Haley   | Williams, N. J. |
| Fascell  | Herlong |                 |

## NOT VOTING—22

|              |              |             |
|--------------|--------------|-------------|
| Bailey       | Fallon       | Reed, Ill.  |
| Bolton       | Gregory      | Reed, N. Y. |
| Oliver P.    | Hesclton     | Riehlman    |
| Buckley      | Holifield    | Roberts     |
| Canfield     | Kelly, N. Y. | Sieminski   |
| Chatham      | Kilburn      | Staggers    |
| Davis, Tenn. | McCulloch    | Walter      |
| Eberharter   | Mumma        |             |

The Clerk announced the following pairs:

On this vote:

Mr. Eberharter for, with Mr. Williams of New Jersey against.

Mr. Roberts for, with Mr. Haley against.

Mr. Davis of Tennessee for, with Mr. Fascell against.

Mr. Chatham for, with Mr. Herlong against.

Mr. Dolliver for, with Mr. Kilburn against.

Mr. Gregory for, with Mrs. Kelly of New York against.

Mr. Holifield for, with Mr. Fallon against.

Mr. Buckley for, with Mr. Reed of Illinois against.

Mr. Bailey for, with Mr. Staggers against.

Mr. Sieminski for, with Mr. Hesclton against.

Until further notice:

Mr. Walter with Mr. Canfield.

Mr. FLOOD, Mr. SHEPPARD, and Mr. POWELL changed their vote from "nay" to "yea."

Mr. HERLONG. Mr. Speaker, I have a live pair with the gentleman from North Carolina, Mr. CHATHAM. Had he been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HALEY. Mr. Speaker, I have a live pair with the gentleman from Alabama, Mr. ROBERTS. Had he been present he would have voted "yea." I voted "nay." Therefore I withdraw my vote and vote "present."

Mr. FASCELL. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. DAVIS. Had he been here he would have voted "yea." I voted "nay." Therefore I withdraw my vote and vote "present."

Mr. WILLIAMS of New Jersey. Mr. Speaker, I have a live pair with the gentleman from Pennsylvania, Mr. EBERHARTER. Had he been present he would have voted "yea." I voted "nay." Therefore I withdraw my vote and vote "present."

Mr. DOLLIVER. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. KILBURN. Had he been present he would have voted "nay." I voted "yea." Therefore I withdraw my vote and vote "present."

Mr. MARTIN. Mr. Speaker, in view of the confusion in the House, and because of the closeness of the vote, I ask for a recapitulation.

The SPEAKER. The Chair thinks the vote is close enough to have a recapitulation.

The Clerk will call the names of those voting in the affirmative.

The Clerk called the names of those voting "yea."

The SPEAKER. Are there any corrections to be made where any Member

was listening and heard his name called as voting "yea" who did not vote "yea"? [After a pause.] The Chair hears none.

The Clerk will call the names of those recorded as voting "nay."

The Clerk called the names of those voting "nay."

The SPEAKER. Is there any Member voting "nay" who is incorrectly recorded? [After a pause.] The Chair hears none.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to amend the title by striking out the language in the last paragraph of the bill beginning after the semicolon "to authorize a domestic marketing certificate plan for wheat"; and that will make the title conform to the bill as now passed.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: In the title to the bill, strike out the words "to authorize a domestic marketing certificate plan for wheat"; so as to read "A bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk, and for other purposes."

The SPEAKER. The question is on the amendment to the title.

The amendment was agreed to.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to renumber sections.

The SPEAKER. Is there objection?

There was no objection.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2225) entitled "An act to amend section 401 (e) of the Civil Aeronautics Act of 1938, as amended."

## PROGRAM FOR NEXT WEEK AND ADJOURNMENT UNTIL MONDAY

(Mr. MARTIN asked and was given permission to address the House for 1 minute.)

Mr. MARTIN. Mr. Speaker, I do this so that we may hear from the majority leader as to the program for the rest of the week and next week.

Mr. McCORMACK. I am going to ask that we go over until Monday.

I make that request now, Mr. Speaker. I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

The SPEAKER. Is there objection?

There was no objection.



Mr. McCORMACK. In response to the inquiry of my friend from Massachusetts, the program is as follows:

On Monday the conference report on the postal salary increase. There will be a rollcall on that.

Then it is District day. There are several small bills, as follows:

H. R. 1806, to consolidate the Roosevelt Memorial Association.

H. R. 1825, relating to auditorium construction.

H. R. 2986, to adjust judges' salaries.

H. R. 4909, consolidation, National Tax Association.

Thereafter, the Alaska-Hawaii statehood bill will be taken up, and general debate will continue until it is finished. We hope to get through with it on Tuesday. I understand there are 7 hours' general debate.

Mr. MARTIN. I think the gentleman is quite ambitious.

Mr. McCORMACK. Well, I mean if the rule is adopted.

Wednesday, Thursday, Friday, and Saturday the Department of Defense appropriation bill for 1956, and then the national Reserve plan, the manpower bill. Also the bill relating to Saline Water Act, H. R. 2126, in case it is reached.

Also the usual reservations with reference to conference reports.

Mr. MARTIN. I am told the Defense appropriation bill will take at least 2 or 3 days. If that is the case, I do not see how you can get to the legislation on the armed services bill.

Mr. McCORMACK. If the Defense appropriation bill takes that long, of course it will have to go over until the following week, but I am putting it on the program in case the situation develops where it can be taken up and considered.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. SHORT. The gentleman cannot say definitely when the Reserve bill will be called up for consideration?

Mr. McCORMACK. I wish I could answer the question specifically. All I can say is that if we have an opportunity next week it will follow the Defense appropriation bill. I know it will not be before Thursday and probably not until Friday.

Mr. SHORT. I should think consideration of the statehood bill and the appropriation bill for Defense would take all of next week so that Members could count on the Reserve bill being called up the first of the following week.

Mr. McCORMACK. The gentleman's statement may prove to be correct as the business of the week unfolds, but I am putting it in the program in case we can bring it up. The probability is that what the gentleman from Missouri and the gentleman from Massachusetts say is correct, but I am putting it on the calendar just in case we can reach it.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in

order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### POSTAL PAY INCREASE BILL

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill (S. 1) to increase the basic compensation of employees and officers of the Post Office Department be given until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The conference report and statement follow:

#### CONFERENCE REPORT (H. REPT. No. 494)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this act may be cited as the 'Postal Field Service Compensation Act of 1955'."

#### "TITLE I—DEFINITIONS, COVERAGE, AND EXEMPTIONS"

##### "Definitions"

"SEC. 101. For the purposes of this Act—

"(1) 'Department' means the Post Office Department established by section 388 of the Revised Statutes (5 U. S. C., sec. 361), and the postal field service of the Post Office Department;

"(2) 'postal field service' includes all operations and organization units of the Department, other than the departmental operations and organization units in the headquarters offices of the Post Office Department at the seat of the Government, and includes postal inspectors assigned to the headquarters offices of the Post Office Department at the seat of the Government;

"(3) 'employee', unless the context otherwise indicates, includes postmasters, officers, supervisors, and all other persons employed in the postal field service, regardless of title, other than persons who provide services for the Department on a fee, contract, job, or piecework basis;

"(4) 'position' means the duties and responsibilities assigned to an employee, other than duties performed on a fee, contract, job, or piecework basis;

"(5) 'key position' means an existing position, described in section 203 of this Act;

"(6) 'salary level' means the numerical standing in the Postal Field Service Schedule assigned to a position in the postal field service;

"(7) 'basic salary' means the rate of annual or hourly compensation specified by law, exclusive of overtime, night differential, and longevity compensation;

"(8) 'basic compensation' means basic salary plus longevity compensation; and

"(9) 'persons' has the meaning prescribed for such word in section 1 of title 1 of the United States Code.

#### "Coverage"

"SEC. 102. This Act applies to all positions and employees in the postal field service.

#### "TITLE II—RANKING OF POSITIONS"

##### "Administration"

"SEC. 201. (a) The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in such service, except that not more than one assistant postmaster may be employed at any post office. He shall define the various positions other than the key positions specified in section 203 of this Act and the standard positions of postmaster in a fourth-class office and rural carrier. He shall assign each such position to its appropriate salary level in the Post Field Service Schedule. He shall ascertain the appropriate salary level of a position (1) by comparing the duties, responsibilities, and work requirements of the position with the duties, responsibilities, and work requirements of key positions described in section 203 of this Act, and (2) by ranking the position in relation to the key position most closely comparable in terms of the level of duties, responsibilities, and work requirements.

"(b) In ranking positions, the Postmaster General shall apply the principle of equal pay for substantially equal work and give effect to substantial differences in difficulty of the work to be performed, in the degree of responsibility to be exercised, in the scope and variety of tasks involved, and in the conditions of performance.

"(c) The Postmaster General's determinations under this section shall be the basis for the payment of compensation and for personnel transactions.

##### "Appeals"

"SEC. 202. Any employee, either individually or together with one or more other employees with a similar grievance, may appeal at any time, in person or through his representative specifically designated for that purpose, to the United States Civil Service Commission to review (1) if such employee is in a position other than a key position described in section 203 of this Act, any action taken by the Postmaster General under section 201 of this Act, in order to determine whether his position has been placed in its appropriate salary level in accordance with such section, and (2) if such employee is in a key position described in section 203 of this Act, any administrative action taken or determination made under this Act, in connection with such employee, in order to determine whether such employee has been placed correctly in a key position on the basis of and in accordance with the descriptions of key positions and the assignments of such positions to salary levels specified in section 203 of this Act. The Commission shall act upon such appeal at the earliest practicable time, and its decision on such appeal shall be certified forthwith to the Postmaster General who shall take action in accordance with such certificate.

##### "Key positions"

"SEC. 203. Key positions in the postal field service consisting of standard, related tasks commonly performed in that service are described and assigned to salary levels in the Postal Field Service Schedule, as follows:

"(1) Position.—Janitor—Level 1.

"Basic function: Cleans, sweeps, and removes trash from work areas, lobbies, and washrooms.

"Duties and responsibilities:

"(A) Sweeps and scrubs floors and stairs, dusts furniture and fixtures, cleans washrooms, and washes windows (except exterior glass in high buildings).

"(B) Moves furniture and helps erect equipment and fixtures within offices of the building.



now was "taking swings at Jews again," Mr. Smith added:

"So, God bless you Harvey. Welcome home."

*Benjamin H. Freedman*

Mr. Freedman is a wealthy, retired cosmetics manufacturer.

His association with hate publicists has been inexplicable and controversial.

He sided with the Arabs in the feud over the creation of the state of Israel.

He has insisted that he is not anti-Semitic but only anti-Zionist, meaning anti-Israel.

He has contributed money and articles to the stridently anti-Semitic hate-sheet *Common Sense*. And he is widely quoted and praised by some racists—often in an effort to prove they are not anti-Semitic.

Mr. Freedman was the prime mover in the abortive attempt to block confirmation of Mrs. Anna M. Rosenberg as Assistant Defense Secretary. Active in the same cause were Gerald Smith and Mr. Smith's legislative representative, Wesley Swift.

Mr. Freedman witnessed the statements—alleging that Mrs. Rosenberg once had been a member of a Communist-front group—which induced the Senate Armed Services Committee to reopen hearings on her confirmation. It all turned out to be a flimsy case of mistaken identity.

Under questioning by the committee, Mr. Freedman admitted he had given more than \$15,000 to Conde McGinley to finance *Common Sense*.

He later turned out a longwinded account of his role in the case and, writing in third person, explained his relations with Mr. McGinley as follows:

"In 1948 Freedman met McGinley. They found they had much in common. Freedman became interested in *Common Sense* as one of the most aggressive organizations fighting Marxism (communism) \* \* \*. Since 1948 Freedman has given unsparingly of his time and effort to increase the circulation of *Common Sense* and has advanced a small fortune for that purpose."

Mr. McGinley recently returned the compliment in a fund-begging letter in which he lamented that Mr. Freedman was no longer able to help finance *Common Sense*.

"Mr. Freedman was the pioneer in awakening people to the Zionist conspiracy," Mr. McGinley wrote. "He is one of the few most valuable patriots alive."

## Facts Forum Public Opinion Poll

### EXTENSION OF REMARKS

OF

**HON. GEORGE A. SMATHERS**

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

*Thursday, May 5, 1955*

Mr. SMATHERS. Mr. President, Facts Forum conducts from month to month a public opinion poll in order to find out what people are thinking about current issues.

From time to time the results of this poll have been published in the Appendix of the *RECORD* as being of especial interest to the Members of Congress.

I have received the tabulation of the final results of the February poll, which deals with 14 questions, some of which are major issues before the Nation today. All of them, I am sure, will prove stimulating as well as interesting.

Therefore I ask unanimous consent that this tabulation be published in the Appendix of the *RECORD*.

There being no objection, the tabulation was ordered to be printed in the *RECORD*, as follows:

|                                                                                          | Percentage<br>Yes |
|------------------------------------------------------------------------------------------|-------------------|
| Should we substitute an executive council for the Presidency?-----                       | 8                 |
| Does the United States need constitutional protection from treaty law?---                | 81                |
| Is communism gaining more in cold war than is possible in hot war?-----                  | 83                |
| Is it really un-American for press, radio, and TV to suppress news?-----                 | 74                |
| Have we lost control of our Government to unelected officials?-----                      | 64                |
| Should the public schools accept aid from the Federal Government?-----                   | 30                |
| Is calling our economic system the free-enterprise system a misnomer?-----               | 49                |
| Can America defend itself without allies?-----                                           | 53                |
| Will there be another stock-market crash like 1929?-----                                 | 21                |
| Should we blockade Red China as Senator KNOWLAND recommends?-----                        | 72                |
| Would one-world government prevent war?-----                                             | 8                 |
| Is foreign-aid spending a part of the plan to destroy the United States of America?----- | 67                |
| Did the recent Senate censure hearings change your opinion of Senator McCARTHY?-----     | 7                 |
| Are Communists in the United States conspiring to promote juvenile delinquency?-----     | 83                |

## Price Supports for Basic Commodities

### SPEECH

OF

**HON. JAMIE L. WHITTEN**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 4, 1955*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

Mr. WHITTEN. Mr. Chairman, I, too, regret that the time is limited so that we cannot go into this subject fully and completely. Involved in this amendment is the whole price-support program.

Mr. Chairman, it is not my desire to condemn anyone here. The candy manufacturers want cheap supplies, though they do not promise to pass on to the consumer any savings they might have from reduced peanut prices. It is always quite natural for people to try to secure cheap raw materials or to buy cheap, as they are doing. I suspect it is increased profits they are really interested in. If we here today could have the income, as individuals, that we do have and if the cost of living was like it used to be, we would be well off. It just will not work that way. We are dealing with people when we deal with the farm program. When virtually everything else is protected we cannot leave the farmers' prices or income out without bankrupting him. We left the farmer out until about 20 years ago.

During the period of history of this country when we were leaving agricultural commodities without protection,

we were providing minimum wages and protective tariffs for others; and we exhausted one-half of the natural resources of the country. We wore the land out. The farmer's lot was a hard one. The price support program was passed in an effort to assure at least some fair return to the farmer. I think all will agree that only under the farm program have agricultural people been able to live somewhat like others.

Mr. Chairman, I repeat, involved here is not peanuts as such. Involved here is a segment of the American people with low incomes, whose livelihood depends upon the growing of peanuts, and a fair return for them. If we do not pass this bill, we make bad matters worse. We would thereby injure the farmer without in any way helping the consumer. The difference to the farmer would be a reduction in his present low income of about 16 percent, but to the purchaser of a bar of candy it would mean only about one mill and there is nothing to show such mill would be passed on to the consumer. You know it would not be.

Farm program opponents are making headway to destroy it. May I say this. Already those farmers, or many of them producing perishable commodities, since section 32 funds are used to support and export their products, believe they have no interest in retaining farm supports on basic commodities. And yet they will later find that agricultural programs even for them will stand or fall with the whole farm program.

If farmers growing peanuts are then separated by this amendment from other farm commodities, then wheat, cotton and the rest will feel the effects, too.

The farm program is essential to the welfare of the Nation. Only by a reasonable income can the farmer put back into the soil a share of what he takes out. His income today is terribly low. The President says we must do something for him. There are only two real ways to help, to increase his acreage and to increase his price. To justify increasing production, we must sell; and the Department of Agriculture won't sell. Then when we try to help even a little bit with price, the administration is here opposing that.

President Eisenhower says we must help the small farmers. These are small farmers with an average of less than \$1,500 gross per year income. Now is the time to at least hold what they have.

## Life Behind the Iron Curtain—Status of Women in the Soviet Union

### EXTENSION OF REMARKS

OF

**HON. FREDERICK G. PAYNE**

OF MAINE

IN THE SENATE OF THE UNITED STATES

*Thursday, May 5, 1955*

Mr. PAYNE. Mr. President, I ask unanimous consent that two columns by May Craig, Washington correspondent for the Guy Gannett newspapers in



Maine, based on her recent trip to Russia, and discussing the status of women in the Soviet Union and the dreary life led by our embassy staff in Moscow, be printed in the Appendix of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Portland (Maine) Press Herald of May 2, 1955]

**BEHIND THE IRON CURTAIN—BROOD MARES AND BURDEN BEARERS**

(By May Craig)

Moscow.—Women do not have equality in Russia, though they tell you so and point to the constitution. Women are the brood mares and the burden bearers. Americans are shocked when they see women doing the heavy work. In the streets middle-aged and old women, bundled in shapeless dirty clothes and big rubber boots with felt tops, do the shoveling of snow, work in the drains, sweep endlessly with the primitive brooms made of twigs tied to a stick.

In the foundry of the Stalin Auto Works, 31 years old, the first plant to make cars in the U. S. S. R., women handled heavy metal forms, at top speed. Piecework (by the group), speedup, lack of safety devices, lack of light, struck me in this plant. Our Marian Martin, who is an expert on industrial safety, would have been appalled to see it. The floor was full of holes, debris stood around, men and women handled forms and even worked with the molten metal without any gloves. I did not see a single pair of heavy-toed shoes. Some few men working with molten metals had goggles, but not the efficient kind we have.

There were a few women with pants, but most wore skirts, though they were short. The clothes were nondescript, though I saw some coveralls in the auto-assembly line that looked alike, including one woman, who wore gloves. The women's clothes were dirty, usually a sweater or jacket underneath, because it was cold, a soiled cotton dress, scanty and short, and some sort of black canvas apron. Their shoes were also nondescript, worn, usually flat slippers, entirely unfit for standing and walking in heavy work on the broken concrete floors, or to support the feet. All wore the kerchiefs on their heads, which are the universal headgear of women here. Seldom does one see a hat; even the few you see, mostly on guides, are not becoming or stylish and are dark, dull colors.

The auto-assembly line and the bicycle line seem efficient. I asked the manager, who had been in the United States, what his annual production is, and got the usual evasive answer. Through the interpreter he said a truck came off the line every 5 minutes and a bicycle every minute. That made 192 trucks a day, the interpreter said, and there were 300 working days a year. They work 6 days a week, 8 hours a day in this "workers' paradise."

They make only commercial trucks here, no military. A bicycle sells for equivalent of \$150, but since the rate of exchange is so exorbitant this is not a true selling price. A girl who works on the bicycles would have to work 20 days to buy one, that is a better sample. Most girls on the bicycle assembly line had stools to sit on, but they worked fast. They had compressed air tools to rivet. After the frame of the bicycle was together, of course they worked standing. The manager knew all about the English bicycles displacing the American type in the United States.

There are 35,000 employees in this plant which also makes refrigerators, though we did not see that department. The manager said they had nurseries for working mothers, and schools not only for children but for the workers who wanted to study. Many adults are studying, manager said.

They live in adjacent apartment houses, usually two rooms to a family with a small kitchen and toilet. Buildings are a good many stories high and have elevators. Rents are low and there is free medical services.

They do not either import or export bicycles. As I came away I saw edges of the stone steps broken away, making accident hazards. I did not see a single fluorescent light in the plant, though they had them in the Pravda newspaper plant.

Everywhere there are statues and pictures of Lenin and Stalin. This is often not the grim Stalin in uniform that we are familiar with. There are paintings everywhere, including airports, of a Father Stalin, smiling, in white clothes, standing in a rural scene, or with idealized factory line in the distance. He looks up and away, to the future; sometimes he is with children, benign and gentle.

Everywhere we go, the camera devotees of our party are told what they can take pictures of and what not. There seems no rhyme or reason to what they can take and what not. Since we are strictly supervised everywhere we go I have seen nothing that had any security value, so we might as well have taken all. There are no maps of the city; no maps of Russia. Our tour director was even worried because some of the editors bought ordinary atlas maps before we got into the Soviet. None of the airline maps show Russia in detail. There is no telephone directory—unless you know the number you are out of luck. The operator at this hotel did get the American Embassy for us without our knowing the number. These are little things that surprise Americans, accustomed to our free and easy life. Overseas telephone messages can get through, with luck, and are fairly clear.

[From the Portland (Maine) Press Herald of May 3, 1955]

**BEHIND THE IRON CURTAIN—YANKS IN RUSSIA HAVE A DREARY LIFE**

(By May Craig)

Moscow.—Our Embassy staff has a dreary life here. Most of them speak Russian in some degree, some fluently. We are fortunate in having as ambassador, Charles E. Bohlen, a career diplomat, who knows Russia and the satellite area well. The representatives of the free nations have only the most formal contact with the U. S. S. R. officials. They see them when they officially request it; they see them rarely at an official function.

Our Embassy staff is especially isolated because so few Americans come. There are some British businessmen who come hoping for contracts, but since the cancellation of most of the contracts made by Malenkov for consumer goods, this hope has waned. We are the only Americans in Moscow now. One morning when we first came, and two of us were wrestling with how to make the floor matron understand that there was no heat in our bathrooms, two young men came down the stairs and said in oh-how-welcome American: "Can we help you?" They were students from Columbia University who had been studying Russian and had a month's visa to travel in the U. S. S. R.

The ambassador gave a cocktail party for our editors' group at the handsome Embassy, with marble columns and floors—and it was warm. Moment we get to an American place we know it—because it is warm. Naval attaché at the Embassy is Capt. William M. Sweetser, of Portland, who has four sisters living there and in Cape Elizabeth. He will be coming home next year and expects to be stationed in Boston for a tour.

Military and naval attachés are regarded by the Communists with especial suspicion, because the party line is that the United States is a warmonger, plotting the destruction of the peace-loving Communist world. At the party were several American newspapermen—there are only five here—and a few Russians. They are often invited, but

the host never knows whether any Russian will show up. Of course, these were not top people, at the cocktail party, only those having to do with protocol and information. The staff were all eager for news from home, real news, not just what is in the papers they get and it is always a battle between them, hungry to talk about home, and us, here to get foreign information.

The Ambassador was very cordial and said he would do anything he could to help us—which isn't much because we are strictly supervised in everything we do and we never did see any official of the U. S. S. R. Government.

The Ambassador chuckled as he added: "If any of you get arrested, I'll see that we write a good stiff note about it." There was an undertone to this, however, because we know, back home, that about all we can do, except go to war, is write notes to this adamant regime when they down our planes, imprison American citizens, or commit other acts of international discourtesy.

With it all, we have fun. This is a very congenial group and being in this hostile country we tend to draw closer together. While we complain about no heat, poor food and service and plumbing, the lumpy beds, the eternal evasions and delays that attend our requests for what we want to see and where we go, we have fun. We chatter and laugh in a way that makes the Russians look at us in surprise. The faces here are all alike—stolid, sober, anxious, enduring. Once, on the subway, I saw a girl talking to a young man and they smile the smile of every young man and maid. Our guides smile, but that is a professional smile.

Our last dinner in Moscow we celebrated and the waiters, whose sketchy English was matter of fun, as our struggles to talk in Russian, German, and French, joined the hilarity. They produced a baked Alaska for the Americans to replace the inevitable vanilla ice cream. Everybody drank toasts in "vodka," as we learned to pronounce vodka—I am not much of a drinker, so the one small glass lasted through all the toasts.

Waiters will accept tips without hesitation, but we were told not to offer money to the help on the floor because that is not good party manners. I left some small toilet articles I did not need, such as nail polish, soap, Kleenex, small tube of shampoo, and the maid was pleased, though I had to tell her in sign language what they were. The embassies where we have visited in our trip have helped us with little things from the commissary when we ran short. Cigarettes, toothpaste, band-aid, and such, for which we paid, of course. One editor from Texas wore high-heeled, pointed-toe Texas boots which made a great hit when he tucked his pants into the tops and wore the astrakhan Russian cap he got from a Russian in return for his 10-gallon Texas sombrero—but the shoes gave him a blistered foot after he had walked a few hundred miles through museums, cathedrals, and palaces, so the band-aid helped. When the Russians wear us out in this sort of thing, it uses the time we might try to spend seeing officials and other places.

**Home Economics Research**

**EXTENSION OF REMARKS**

OF

**HON. THOMAS L. ASHLEY**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1955

Mr. ASHLEY. Mr. Speaker, I should like to direct the attention of our colleagues to the following resolution adopted by the Ohio Home Economics



Association at its annual meeting on April 23, 1955:

The Ohio Home Economics Association with a membership of 1,014 members, in session at its annual meeting in Toledo, April 23, 1955, goes on record as strongly protesting the realignment of home economics research in the USDA as set forth in Administrative Order 101.1 issued by Dr. Byron T. Shaw, Administrator.

This protest is made after long and careful consideration by home economists to Dr. Shaw's directive: "that you (Dr. Steibeling) proceed at once to shift the emphasis in research in human nutrition and home economics so as to strengthen our program in foods and nutrition."

We agree that foods and nutrition need to be strengthened but not at the expense of "discontinuance of research in Home Economics Research Branch relating to operating characteristics and performance requirements of commercially produced household equipment and appliances and the preparation of popular and semipopular publications on the selection, care, and use of such goods", "the discontinuance of research in the Home Economics Research Branch relating to selection, design, construction, maintenance, and household reconditioning of clothing and household textiles articles, and the preparation of popular and semipopular publications on the subject."

Since home economics research is located in the Department of Agriculture, the Department currently carries responsibility for supporting all phases of home economics, not only those directly related to utilization of agriculture products. We therefore request, in the best interest of the public, that the Secretary of Agriculture call upon a group of homemakers and professional home economists to review this surprise action and to make plans to: (1) restore the current aspects of the program being discontinued, (2) review the use of the funds in the best interest of homemakers, (3) formulate a long time plan for expanding the home economics research program.

We want to clarify the Agriculture Research Administrator's statements that there is misunderstanding of the issue on the part of home economists. We understand the problem, and we protest the attempt to confuse the issue and make it appear that the complete elimination of research in certain important aspects of homemaking is "of great importance to home economists and to the Nation's families."

We also respectfully urge that Members of Congress study and consider where an adequate program of this important work of aiding millions of homemakers can and should be carried on in the Federal Government.

MARY ELIZABETH HUCK,  
President, the Ohio Fuel  
Gas Co., Columbus.

DOROTHY ELLEN JONES,  
Vice President, the Cleve-  
land Board of Education,  
Cleveland.

BETTY LOU KOOGLER BRADY,  
Secretary, Homemaker, 640  
Parknoll Road, Dayton.

LILLIAN NELSON,  
Treasurer, Marietta College,  
Marietta.

Dr. HAZEL PRICE,  
News Editor, Homemaker,  
Westerville.

Dr. DOROTHY SCOTT,  
State Councilor, the Ohio  
State University, Colum-  
bus.

Members of the executive committee  
of the Ohio Home Economics  
Association.

## The Postal Pay Bill

### EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1955

Mr. DINGELL. Mr. Speaker, the postal pay raise bill in this instance has been made an instrumentality to test the average Member of Congress and to determine the mettle of which he is made. Since the beginning of this 84th Congress an effort has been made to reduce the pay raise from the 10 percent across-the-board proposal, with a retroactive provision, as advocated by myself in the House, and by my good friends Senators JOHNSTON and NEELY in the Senate. I have done everything down to the point of compromising with my conscience on certain provisions which I deemed essential to the welfare of postal employees. I believe my original thoughts were even more liberal than the provisions contained in the Johnston-Neely bill, but for the sake of uniformity and acceleration in passage and of collaborating with the distinguished Senators I introduced an identical measure in the House.

Now it was not sufficient for the so-called administration spokesmen and the White House to express disapproval and make known the President's displeasure. Nearly all, if not all, Republican leaders, and I am sorry to say a few, very few, Democrats have used the threat of a Presidential veto to discourage pay raise proponents. They have passed this on to House Members with such absolute assurances as to indicate direct expressions of the adverse attitude of the White House; namely, to the effect that the President would veto any bill above, as I recall, 6.5 percent, and eventually I believe this was raised to 7.6 percent.

At any rate, the Senate had passed a 10-percent raise with a retroactive provision and other features, which it sent to the House for action. The House, without any doubt on the score, declared itself fearlessly and positively by voting upon the three amendments of the gentleman from California [Mr. Moss] and approving them. One bore directly upon the reclassification feature, one was on retroactivity, and the other was to raise the amount of the percentage increase to 8.2 percent. There was no doubt about where the House stood on these questions nor was there any doubt as to where the Democratic and Republican Parties stood on the questions. The Republicans in the House almost to a man and woman, some of whom actually voted for their own 50-percent pay raise, alined themselves with the enemies of the faithful and devoted workers who serve the public so thoroughly and well under circumstances which are frequently not the best. The Democrats, on the other hand, true to form, voted in support of a fair and reasonable increase and stood by the postal workers, as they will by the classified employees of this

same Government of ours when that question comes up for disposition a little later. This rankles in my heart and stimulates belligerency to do combat against the determined minority and the White House, and including President Eisenhower, all of whom have stood in the way of a reasonable increase for Government workers, and reaches the point where I am ready to accept the Presidential challenge and the threat of veto by putting it to a test.

Under the circumstances, there was only one thing which the House and Senate conferees could do as regards the amount of the pay increase. They had to take the maximum under the Senate bill and the maximum permitted under the House bill and compromise between the two figures. The figure of 8.8 percent is the total provided for and submitted to both Houses by their conferees as an essential part of the conference report. The House conferees, in fact, had no choice or latitude any more than did the conferees of the Senate. The rule of conference is to compromise between the dictum of both Houses. I have served on too many conferences not to know, and the House conferees of the Committee on Post Office and Civil Service, too, are familiar with this rule.

I resent wholeheartedly the use of a veto threat by the Executive, and that applies to any President whether of my party or not. I am positive that the veto can and will be overridden, if it occurs, and I would wager that the President will not dare to veto the measure. It is a parliamentary trick and threat which altogether too frequently boomerangs against the White House or presidential spokesman. It is one thing for the President to oppose and to plead, but it is quite another for him to repeatedly threaten the legislative branch which, too, has its responsibility. I take my responsibility as the Representative of the 15th District of Michigan very seriously and I attach great dignity to the course which I pursue in legislating for the benefit of the people.

I have held for years that it was the disposition of Congress to lag behind the needs of the workers, and this is not said in any derogatory sense because the demands altogether too frequently are excessive. The pie is only so big and the number of cuts per pie are limited. It is the responsibility of Congress to try as best it can to be liberal with Federal employees, with its wards, and all others who must come to Congress with their problems be they financial or otherwise, and Congress must cut the cloth according to a reasonable pattern. The budget does not always control. It is not the final word. Thus when we deal with an emergency and it concerns a balanced budget or a balanced ration for the hungry we must provide first against starvation. If it is a matter of the Nation's safety and security the budget again is secondary to survival. In this instance, with the postal and classified employees it is a question of trying to meet a condition and solving the problem and finding a means and a method of overcoming any deficit. I am willing to go to any



extent necessary to balance the budget, whatever the legitimate means may require.

The Presidential action as regards the pay bill which he vetoed after the 83d Congress went home was wanton, premeditated, distasteful, and unjustified, because Congress, too, has its responsibilities. The President could have vetoed the bill before adjournment despite the fact that pay action bills were delayed until the very last. I shall always remember this action and point out that that is not my way of legislating nor arriving at a responsible understanding between the executive and the legislative branches.

### Price Supports for Basic Commodities

#### EXTENSION OF REMARKS OF

**HON. JAMIE L. WHITTEN**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1955

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

Mr. WHITTEN. Mr. Chairman, there are several things that we need to consider in connection with the farm bill. Price supports for farm commodities were written into the law by this Congress only about 20 years ago. The price support program was the result of a bipartisan effort, because all saw the need. It was an effort in this country of ours under dire necessity to give some degree of protection to those engaged in taking care of this country and in growing farm commodities. The Congress realized then and we need to realize now, that by law, we provide bargaining rights and minimum wages for labor. We give to the railroads and to business interests the right to reflect, in the rates that they charge, the costs of operation plus a profit. We protect many other industries. About 20 years ago it was recognized that we had to give some protection to those that were engaged in farming, to see that the high cost of other things that were used in our life, most of them protected by law, did not result in a continuing wasting away of our soil and natural resources and the destruction of our farmers. Price supports are tied to the effort to see that a reasonable share of the national income goes to those engaged in agriculture.

In that same law providing price supports for farm commodities, while we supported these commodities at a certain level and would reflect such price in domestic sales, it was provided that they be sold in the world markets at competitive prices. Our CCC losses and, yes, our reductions in acreage have come largely because we would not sell. I do not know a single case—and this is supported by the testimony of even the Department of Agriculture, including the Secretary—there is not a place in the

farm-support program where the major cost has not been storage and carrying charges accumulated during periods when we did not offer the commodities for sale in world trade at truly competitive prices, as authorized and contemplated by law. The Secretary of Agriculture has authority to sell all these commodities in world trade and to make the price right. It is because we would not make our sales prices competitive that we have held American commodities in our own hands and paid this high storage. When offered in world trade most commodities have been offered at a higher price than would move them, all by decision of the Department of Agriculture and the Commodity Credit Corporation. That shortsighted policy has resulted in the high cost of the Commodity Credit Corporation operation. The Department now recognizes the effect of this policy. The Secretary of Agriculture only recently said that foreign production was increasing under our convenient price umbrella. But Mr. Benson said he would not change his policies prior to July 31.

Assistant Secretary Paalberg in a speech March 18, said the following:

We are competitive pricewise in the world cotton market only intermittently, in a series of unpredictable interludes. There is no better phrase to describe our position than the phrase used by the cotton industry itself—we are the residual supplier.

There is no question but that our pricing policies have given aid and comfort to our competition.

The United States, which now produces only about 40 percent of the world's cotton, cannot, by regulating its own production, satisfactorily determine prices and quantities for the entire world.

2. The three elements needed for effective selling are quality, merchandising, and a price that meets competition. We cannot, by improving quality and increasing our merchandising efforts, fully compensate for our inability to be competitive pricewise.

I might liken the cotton industry to a stool which needs three legs to stand upright—quality, merchandising, and realistic pricing. It can't stand permanently on just two legs, no matter how strong they're built.

These statements clearly show an awerness on your part of what is happening to us under present policy. And yet this policy is being continued by the Department, notwithstanding the provision contained in the CCC charter for sales in world trade on a truly competitive basis.

And yet Mr. Benson and the Department have authority now to make the prices competitive. Acreage, and the amount or volume of farm production, is tied to the movement of commodities. It is tied to the supply on hand and the supply that we sell.

The Department, by its own decision, in effect has agreed to hold what it has and not sell, for if you don't make the price competitive you don't sell. And then they count those commodities and reduce the farmer's acreage down, down, down. I say to you that the report that was issued by the subcommittee of the Agriculture Committee in the Senate quoted by the minority leader is erro-

neous. It is true as the minority leader says, the senior Senator from my State was chairman of that subcommittee. However, in my judgment he and the majority of his subcommittee are wrong.

There is no justification for calling on the farmers to vote for lower support prices just to get the department to sell for increased acreage must come from sales.

Support levels and acreage are two different things. Acreage depends upon the movement of cotton, the sale of cotton, and the sale of other farm commodities. Only in the sale and movement of these commodities can you increase acreage; and the Department won't sell because it will not use its authority to offer competitively in world trade. But to say to the American farmer that he has to agree to take a lower support price, before the Secretary will sell, is demanding a contribution from the farmer in order to get a change in policy by the Department. Price supports, in turn, are based upon efforts under the law to assure some fair return to the farmer.

Only a few weeks ago it was pointed out that the farmers of America have an annual income of less than one-half the income the rest of the population has in this country. The records show that in the next year farm income will fall by more than \$1 billion. The national income in the same period will increase by more than \$20 billion.

And yet under those conditions we are asked to have the farmer agree to accept even less of the national income. Why? In order to get the Department of Agriculture to change its policy. Its present policy is to hold and not sell. They have the authority to sell and they admit the ill effects of holding our commodities above world competitive prices, by which we provide an umbrella for the rest of the world; and believe me, our American investors are taking full advantage of such policy. They are expanding their production in foreign countries. Why? Not because of high supports in the United States, because if you supported at 125 percent of parity, the Secretary of Agriculture could sell competitively in world markets. And if you reduced price supports to 50 percent of parity you would be in the same predicament we face now, as long as the policy of not selling competitively which is now in existence, continues.

Mr. Benson says he is not going to change his policy before July 31. He says that it is ruining us, but he says he will not change it. He is not going to offer these commodities competitively. You say perhaps we could not sell them. Well, we got them last year to offer some minor commodities for sale in world trade on a competitive basis. What happened? We sold them for dollars, 453 million American dollars. Foreign countries do have the dollars. They do not buy in our market, because we hold our prices above foreign prices, but not because of your support law. Your support fixes the amount of payment for these commodities that goes to your farmers, but in no way restricts the price at which we can sell in foreign markets.



In trying to help in this pitiful situation, your President pointed out only a week or so ago that many, many farmers have less than a reasonable income on which to live, pointing out that the Congress needed to do something to relieve those small farmers. But here we find his administration, with his approval, reducing their income. It will help little to have more county agents or to lend the farmer more money if he cannot sell for a reasonable price. The pile-up of commodities in the hands of the CCC was and is unnecessary. I will say that I agree with the President as to the deplorable condition of many farmers; however, I differ with the recommendations of our President and of this administration to help the small farmer. I say that to give him a little more credit, if he has some outside income, will not help him much; to give him another county agent and to do some more research is not going to help him too much. You may differ with me on that, but I know you do not help the farmer when you reduce his prices at a time when his income is so pitifully low as to get recognition of his plight by the President of the United States and secures a recommendation for cure, even though such cure will not cure.

I say to you that the farmer's income now is far too low. I say that you should sustain the former law, to give him at least, for that which he grows, 90 percent—of what? Of the average comparative income in the base period 1909-1914. Is that too much at this time when Mr. Benson told me: "Yes, I am for the increase to 90 cents an hour in the minimum wage"?

I am not attacking that here. I say to you that if by law you are going to give protection to labor in its bargaining rights, if by law you are going to give them assurance of a minimum hourly wage, if by law you are going to have protective tariffs and give the right to monopolies and others to include in their prices the costs that go into their production, plus a profit, certainly you must keep something in the law that says that a fair share of the national income shall go to the American farmer. And when this administration and the President recognize that fair share is not going to them today, you do not cure the farmer's problem by reducing his prices so that even less would go to him in this and subsequent years.

May I repeat, you say to the American farmer: "If you want more acreage and more production, if you want your commodities to move in world trade, we are not going to change the policy of this administration and of this Department of Agriculture unless you agree to take less price for what you grow."

The only argument I can see for Mr. Benson's approach, and I give him the right to his opinion, is that somehow, somewhere, he thinks a farmer could live and let his prices go down to where they were competitive worldwide, but we know he cannot do that when his costs are fixed by other things beyond his control.

Let me repeat, more than \$4 billion worth of commodities the Commodity Credit Corporation has, have not and

are not now offered for sale in world markets for dollars; yet the authority exists. There is no excuse for paying out this money in storage costs when we could sell the commodities for dollars. Do not tell me they do not want to sell them because they would take losses or because they do not want to lose money; because at the same time they would not sell, they are running around over the world trying to give them away and paying \$700,000 per day storage. Certainly you lose more by giving something away than if you sell it for dollars in world trade.

The farmers' share of the national income in 1946 was 12 percent. In 1948 it had dropped to 11.6 percent, in 1951 to 9.4 percent, and in 1954 to 7.2 percent of the national income. The outlook is that it will drop even further this year.

During that period profits and dividends of American business have gone from \$8.3 billions to \$17.8 billions last year, and a probable increase of \$19.6 billions this year is in sight.

Mr. Chairman, with the administration recommending legislation to add to the farmers' costs, there are only two ways for the farmer to be helped under present conditions, first, to increase his volume, second, increase his price—for volume times price less cost is the farmer's income.

The administration is recommending increased costs.

Volume is dependent on selling his production, and on that the Secretary of Agriculture would not offer \$4 billions worth of commodities on hand for sale competitively, as authorized by law, but counts the commodities to reduce acreage and thereby reduce volume.

All that is left is price and now we find our friend, the majority leader, opposing our efforts to at least help a little on price.

The farmers' plight is becoming serious on the farm. I think it is serious at the White House and at the Department of Agriculture. It looks like it is becoming serious in the Congress.

Remember, a break in farm income has led the way to every depression. Sooner or later the farm situation will be reflected throughout the country.

All farmers and farm groups are interested in the whole farm program, but the businessmen, organized labor, and all the rest have a real stake in his welfare, too. I hope they will realize it before we have another 1929.

### The Proposed Austrian Treaty

#### EXTENSION OF REMARKS

OF

### HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1955

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter addressed by me to the Secretary of State:

HON. JOHN F. DULLES,  
Secretary, Department of State,  
Washington, D. C.

DEAR MR. SECRETARY: I am taking the privilege of including in this letter to you brief remarks made by me on the floor of the House today in connection with the proposed Austrian treaty.

I am concerned, as I am sure you can well imagine, with this country approving language as found in the so-called article XVI, which will permit in any way the bringing about the shocking circumstances which developed in Europe following World War II, when so many thousands of anti-Communist prisoners and escapees were forcibly returned to Russia and torture and death.

I am aware of the appearance of the word "voluntary" in the language of the proposed article XVI, but knowing as we do the long history of the Soviet attitude toward these people the word is a mockery. To disband and penalize committees or groups of men and women in these cantonments, who have expressed anti-Communist beliefs; to open without protection or reservation these cantonments to committees or commissions of Russian "agents," can only produce a repetition of many sad and unsavory events of the past under like or similar agreements.

You are aware, of course, of the current forceful propaganda drive by all-Soviet to induce the return of many of these persons to their homelands, with the resulting propaganda victory to the eastern bloc in the eyes of the world, if these desperate, frustrated, and disillusioned people should return.

In this feeling of desolation which overwhelms these refugees, coupled with anything but proper treatment they have received from the western nations, they are entitled to be protected from inducements and blandishments of Soviet propagandists operating under the cloak of the language originally proposed in article XVI, of the Austrian Treaty.

I trust, with your full awareness of the circumstances, you will see fit to direct the spokesman in the Vienna conferences for the United States, to be alert to the dangers and the subject matter of this communication.

Sincerely yours,  
DANIEL J. FLOOD,  
Member of Congress.

### Tabulation of Poll

#### EXTENSION OF REMARKS OF

### HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1955

Mr. WILLIAMS of New Jersey. Mr. Speaker, recently I sent out a 12-question poll to 28,000 Union County, N. J., citizens requesting their views on issues presently facing the Nation and the Congress. The response to my questionnaire was most gratifying and is, I feel, a graphic demonstration of the vitality of our democracy. I have found the questionnaire to be an invaluable instrument for establishing contact between myself and my constituents and would urge every elected Representative to utilize this means of ascertaining his constituents' views on issues.

Under unanimous consent, I ask that the results of this poll be included in the Appendix of the RECORD and would like to point out in particular the re-



sponse to my first question concerning reciprocal-trade legislation. I think it most important to bring to the attention of the Congress that a typically eastern industrial area indicates such an overwhelming interest in and support of continuation of the reciprocal-trade program.

The results of the poll are as follows:

1. Do you favor the continuation of the reciprocal trade program of negotiating with other nations to jointly lower tariffs as a means of expanding world trade? Yes, 83 percent; no, 15 percent; undecided, 2 percent.

2. Do you favor granting statehood to Alaska? Yes, 82 percent; no, 15 percent; undecided, 3 percent. Do you favor granting statehood to Hawaii? Yes, 81 percent; no, 17 percent; undecided, 2 percent.

3. In the light of the present world crisis, as well as our budgetary situation, do you believe the proposed cutback of the Army is warranted? Yes, 38 percent; no, 54 percent; undecided, 8 percent.

4. The last pay raise granted to postal and other Government workers was in 1951. Do you believe their salaries should be increased by: 5 percent, 27 percent; 10 percent, 49 percent; 15 percent, 16 percent; not at all, 6 percent; undecided, 2 percent.

5. Do you believe the present minimum wage should be increased from 75 cents an hour to: 90 cents an hour, 22 percent; \$1 an hour, 35 percent; \$1.15 an hour, 5 percent; \$1.25 an hour, 18 percent; not at all, 17 percent; undecided, 3 percent.

6. The present immigration law operates in favor of immigration from northern European countries and against immigrants from southern Europe and other parts of the world. Do you believe this law should be altered to eliminate this discrimination? Yes, 53 percent; no, 40 percent; undecided, 7 percent.

7. Do you favor the continuance of the "point 4" technical assistance program which extends technical help to underdeveloped areas of the world? Yes, 78 percent; no, 18 percent; undecided, 4 percent.

8. Do you favor the proposal which would establish universal military training? Yes, 70 percent; no, 22 percent; undecided, 8 percent.

9. Do you favor the establishment of a Federal Fair Employment Practices Commission to insure that discrimination on the basis of race, creed, or color is not practiced in employment? Yes, 69 percent; no, 29 percent; undecided, 2 percent.

10. Do you favor continued United States support of the various activities of the United Nations? Yes, 78 percent; no, 19 percent; undecided, 3 percent.

11. Assuming the continuance of the present operations of our Government and the present economic conditions in the Nation, do you favor an across-the-board lowering of the personal income tax? Yes, 42 percent; no, 55 percent; undecided, 3 percent.

## Freedom of Association in Venezuela

### EXTENSION OF REMARKS OF

**HON. DANIEL J. FLOOD**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1955

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by the International Confederation of Free Trade Unions, with head-

quarters in Brussels, Belgium, asking for the release of all imprisoned trade-union officials in Venezuela who have not been accused of criminal acts and permit them to leave that country:

WORKERS' REPRESENTATIVE AT CARACAS CONFERENCE CALLS FOR FREEDOM OF ASSOCIATION IN VENEZUELA

A "fervent appeal" to the Government of Venezuela to allow trade unions to operate freely in that country was made by A. Vermeulen, representative of the workers' group of the governing body of the International Labor Organization, at the opening of the session of the ILO Petroleum Committee in Caracas yesterday.

He called, in particular, on the Government of Venezuela to:

1. Release all imprisoned trade union officials not accused of criminal acts and allow them to leave the country if they so wish;

2. Submit without delay the cases of others to legal investigation;

3. Declare that it will promote the development of genuine freedom of association along the lines laid down by the International Labor Organization.

The speaker recalled that the ILO had received many complaints over the last 6 years about the violation of freedom of association in Venezuela and that the situation had been investigated on the spot by missions from the ILO and from the ICFTU, both of which had found the complaints substantially justified. As long ago as 1952 the Venezuelan Government had agreed to release imprisoned trade unionists. Nevertheless, many are still in jail without having been tried, and Mr. Vermeulen cited the following names: P. B. Perez Sainas, president of the Confederation of Labor of Venezuela; R. Quijada, president of the Farm Workers' Federation; L. Hurtado, secretary of the Confederation of Labor; and I. Ordaz, A. Hernandez, and H. Borrome, founders and leaders of the Oilworkers' Federation.

Mr. Vermeulen made it clear that the workers' group of the ILO governing body had been opposed to the holding of the conference in Caracas because of the lack of trade-union freedom in Venezuela, and that the same attitude had been adopted by the ICFTU, the Inter-American Regional Organization of Workers, the International Federation of Petroleum Workers, and the democratic oilworkers' trade unions in the principal producing and refining countries, which were boycotting the conference. As a member of the ILO governing body he had considered it his duty to attend the conference, but took the opportunity of voicing the feelings of the free trade-union movement in the manner outlined above.

## Heads I Win, Tails You Lose

### EXTENSION OF REMARKS

OF

**CLARE E. HOFFMAN**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, labor leaders—some sincere and patriotic, others self-seeking—who have taken over the Democratic Party, delight in nurturing discord in the Republican Party.

Their main objective is to become and remain the dominant political party of the country, administering their own theories of political economy—the main thought in which seems to be forcing

employers to create and maintain a job at adequate pay for all who desire to work, plus unemployment and social-security compensation which will prevent anyone, anywhere, any time, suffering discomfort.

More of every good thing is unquestionably the objective of practically all of us, but some still realize that someone, somewhere, sometime, must work if any of us is to have anything.

But, back to an example of how some writers for labor publications avail themselves of every opportunity to create discord in the Republican Party, which has not yet been taken over by labor leaders, note editorial comment by Willard Shelton in the April 29—current—issue of Labor's Daily:

EISENHOWER AND KNOWLAND

(By Willard Shelton)

There's a legend floating around that it is still unpopular to criticize President Eisenhower, whose individual standing with the people is alleged to remain incredibly high. Would it be too much to suggest that the President, personally and regardless of popularity, faces an inescapable obligation to do something about Senator KNOWLAND, his theoretical floor leader in the Senate?

KNOWLAND issued another blast this week at the Eisenhower-Dulles announcement that we were prepared to do business with Red China, to try to negotiate a cease-fire in the Formosa Strait, with or without the acquiescence of Chiang Kai-shek's Nationalist Government-in-exile.

Dulles came to this position belatedly and only after he and the President had been pushed by Senator GEORGE, of Georgia, Democratic chairman of the Foreign Relations Committee.

The State Department made itself ridiculous by its sour first response to the soft words of Chou En-lai, Red China's premier.

Dulles had to tell a news conference that he had been out of touch, that our position was being altered, and that our real response was different from what we had originally said.

The unhappy fact is that GEORGE, a Senator, has for practical purposes been the American Secretary of State for the past several months.

It was GEORGE who pushed through the reckless resolution giving Eisenhower advance congressional approval—a blank check—for whatever war he might decide to fight on and close by the mainland of China. "What is the alternative?" GEORGE cried, and because of his great prestige he carried the day.

Now it is GEORGE speaking up for a Big Four conference, and GEORGE who says that we should accept Chou En-lai's offers to negotiate, and because GEORGE has spoken Eisenhower and Dulles find the courage to agree with him.

Something must still be done by the administration about KNOWLAND.

The Senator from California has been raging around for more than a year, threatening to resign his leadership in the Senate and campaign through the country if Eisenhower does thus and so about Far Eastern policy, or if the United Nations does thus and so.

KNOWLAND is barely polite toward the President. He openly doubts the wisdom of drafting Eisenhower for a second GOP nomination. He sarcastically proposes that we split mainland China in two, giving half to the Reds who already hold it all and half back to Chiang, who was chased away once. He spies appeasement in every proposal for negotiation.

KNOWLAND is technically the elected floor leader of Republicans in the Senate, and technically speaks for them rather than the White House. But it is impossible for a













# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 84<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 101

WASHINGTON, MONDAY, MAY 9, 1955

No. 75

## Senate

(Legislative day of Monday, May 2, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we thank Thee for this world of beauty in the midst of which we walk; for the dawn of a new day; for the stars in the night sky; for the growing things that, answering the call of the springtime, are bursting into bud and flower; for the gifts of love and of friendship; for sacred and sunny memories, and for every radiant hope which inspires us on our pilgrim way.

Help us this day to live worthily as Thy children, to be true and just in meeting every experience, to rise above all anxious fear and hatred, and to live in an atmosphere of spiritual serenity. Come to us in the common life that entangles us. Meet us in the thorny questions which confront us amid the tragedies that have befallen men and nations. We do not ask that Thou wilt keep us safe in these dangerous times, but that Thou wilt keep us loyal to the ideals of this dear land of freedom.

Led by the kindly light, may we go forth along the path of duty with dauntless faith, having no fear save that of failing Thee. We ask it in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 5, 1955, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 12) to amend the

Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk, and for other purposes, in which it requested the concurrence of the Senate.

### HOUSE BILL REFERRED

The bill (H. R. 12) to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

### LEAVE OF ABSENCE

On request of Mr. JOHNSON of Texas, and by unanimous consent, Mr. BIBLE and Mr. SCOTT were excused from attendance on the sessions of the Senate beginning today and during the remainder of the week in order to conduct official meetings on behalf of the Committee on Interior and Insular Affairs.

### COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Internal Security Subcommittee of the Committee on the Judiciary, of which subcommittee the Senator from Mississippi [Mr. EASTLAND] is chairman, be permitted to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

### TENTH ANNIVERSARY OF VICTORY IN EUROPE

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief statement.

It was just 10 years ago yesterday that the guns and the bombs were silenced and the lights went on again all over Europe.

The power of the Nazi armies—one of the most formidable military machines ever put together by tyranny—was

finally crushed. The maniacal ambitions of Adolf Hitler were buried in the ruins of Berlin.

It was a strange—somehow unreal—end to a vast conflict that had absorbed the energies and thoughts of all mankind for more than half a decade. There was no heroic last-minute charge; no flaming or inspiring phrases.

There was an end to a long nightmare, and a hope that somehow, when the last surviving Axis Power, Japan, was defeated, there would be a better world.

There was, of course, dancing in the streets. The plain people of the world felt that a bad dream had ended, and the end of the bad dream brought an exhilaration rare in the history of humanity. In the first flush of enthusiasm, men and women everywhere felt the universal bond that holds us all in kinship.

Ten years later, that fine flush of enthusiasm has vanished. We soon awoke to the fact that liberty is never finally won; that it is a precious gift which can be preserved only by men who are always willing to fight for it and who will not relax their efforts.

We found that we had defeated one dictator only to be confronted by another. There were even some who questioned the value of the sacrifice we had made—forgetting what would have been the consequences had we failed to make it.

To me, V-E Day has one great significance. It is that any dictator, no matter how powerful, any despotism, no matter how strongly entrenched, will always perish in the face of a firm stand by determined men.

V-E Day means more than a commemoration of things past. It is also a time to pledge our fortunes—our stake in the universe—to the proposition that we must hold fast to the victories already gained.

We are now engaged in a great cold war struggle fully as crucial, fully as vital to the future of humanity, as the struggle against the Axis Powers.

On V-E Day we can look back at the Americans and the freedom-loving people everywhere who threw their bodies into the path of the Nazi machine and



fought it to a standstill. We can resolve that we will be worthy of those men, and that our way of life—the path of freedom—shall not perish under the new tyranny.

Mr. KNOWLAND. Mr. President, I should like to commend the distinguished majority leader for a fine statement, in which I think all Americans could properly join.

Mr. JOHNSON of Texas. I thank the Senator from California.

#### CORRECTION OF THE RECORD

Mr. KUCHEL. Mr. President, beginning on page A3024 in the Appendix of the CONGRESSIONAL RECORD for May 4, there appears a speech which I delivered, and which I requested unanimous consent to have printed in the Appendix of the RECORD.

However, in the printing of my remarks about the speech, there appear the words "the Southern California Christian College." The word "College" should be in the plural; and I ask unanimous consent to have the permanent RECORD corrected so as to show, at that point, the words "the Southern California Christian colleges."

The VICE PRESIDENT. The correction will be made.

#### ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the customary morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

##### REPORTS OF SECRETARY OF DEFENSE AND SECRETARIES OF THE ARMY, NAVY, AND AIR FORCE

A letter from the Secretary of Defense, transmitting, pursuant to law, his report on activities of the Department of Defense, including reports of the Secretaries of the Army, Navy, and Air Force, for the period January 1 to June 30, 1954 (with an accompanying report); to the Committee on Armed Services.

##### REPORT OF SECRETARY OF DEFENSE

A letter from the Secretary of Defense, transmitting, pursuant to law, his third biennial report, as of December 31, 1954, (with an accompanying report); to the Committee on Armed Services.

##### REPORT ON EXPORT CONTROL

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, the 30th quarterly report on export control of the Secretary of Commerce (with an accompanying report); to the Committee on Banking and Currency.

##### REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C.,

transmitting, pursuant to law, a report on backlog of pending applications and hearing cases, in the Federal Communications Commission, as of March 31, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

##### NATHAN L. GARNER

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Nathan L. Garner (with an accompanying paper); to the Committee on the Judiciary.

##### REPORT OF NATIONAL SAFETY COUNCIL

A letter from the president, National Safety Council, Chicago, Ill., transmitting, pursuant to law, a report of the audit of the financial transactions of that Council, for the year 1954 (with accompanying report); to the Committee on the Judiciary.

##### GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

##### ADMISSION INTO THE UNITED STATES OF CERTAIN NONIMMIGRANT ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting pursuant to law, copies of orders entered granting admission into the United States of certain nonimmigrant aliens (with accompanying papers); to the Committee on the Judiciary.

##### ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of Florida; to the Committee on Appropriations:

"Senate Memorial 629

"Memorial to the Congress of the United States to provide sufficient funds for immediate completion of the Jim Woodruff lock and dam and certain other projects on the Chattahoochee River at Buford, Ga., and Apalachicola Rivers

"Whereas the Congress of the United States has authorized a public works project to improve the Chattahoochee, Flint, and Apalachicola Rivers in Florida, Georgia, and Alabama; and

"Whereas two phases of this project are now under construction: the Jim Woodruff lock and dam on the Apalachicola River at Chattahoochee, Fla., and Buford Dam on the Chattahoochee River at Buford, Ga.; and

"Whereas there are three additional phases of the project for which construction funds have not been provided, namely, the channel in the Apalachicola River between the Intracoastal Waterway near Apalachicola, Fla., and the Jim Woodruff lock and dam, the Columbia lock and dam on the Chattahoochee River near Columbia, Ala., and the Fort Gaines lock and dam on the Chattahoochee River near Fort Gaines, Ga.; and

"Whereas each phase must be completed in its entirety, before maximum use can be

realized and the cost-benefit ratio be obtained as established by the United States engineers; and

"Whereas the 2 million Americans living in the tririver valley will be greatly benefited if an accelerated construction program is adopted whereby all approved phases of the authorized project are placed on a simultaneous construction status: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States be and it is hereby requested to provide sufficient construction moneys to continue construction of the Jim Woodruff lock and dam, the Buford Dam, and to commence construction on the Apalachicola River channel, the Columbia lock and dam, and the Fort Gaines lock and dam, during the next fiscal year, July 1, 1955, to July 1, 1956; be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the United States Senate, to the Speaker of the United States House of Representatives; to each of ablest congressional delegation in the United States Congress, the Florida delegation; to the Chief of Engineers, Corps of Engineers, Washington, D. C.; to each of the governors of the States of Florida, Alabama, and Georgia; and to the president of the Three Rivers Development Association, the Honorable Jim Woodruff, Sr., Columbus, Ga.

"Approved by the Governor May 5, 1955."

Resolutions adopted by Kirk-Casey Post, No. 366, The American Legion, Seneca Falls, and the Seneca County Men's Republican Club, both of the State of New York, favoring the enactment of the so-called Bricker amendment, relating to the treaty-making power; to the Committee on the Judiciary.

The petition of Daniel R. Mones, and sundry other citizens of the State of New York, favoring the enactment of the so-called Bricker amendment, relating to the treaty-making power; to the Committee on the Judiciary.

A resolution adopted by the City Council of the City of Worcester, Mass., favoring the enactment of legislation to provide a Federal minimum wage of \$1.25 an hour; to the Committee on Labor and Public Welfare.

A resolution adopted by the student government of the City College of New York, main center, day session, New York, N. Y., favoring the enactment of legislation to provide for Federal scholarships and loans to college students; to the Committee on Labor and Public Welfare.

The petition of P. Carbonetti, and sundry other citizens of the State of Pennsylvania, praying for the enactment of legislation to raise the Federal minimum wage to \$1.25 an hour; to the Committee on Labor and Public Welfare.

A resolution adopted by the Allegheny (California) Development League, favoring the enactment of legislation to provide for the development of hydroelectric power on the Trinity River by local enterprise; to the Committee on Public Works.

By Mr. THYE:

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Banking and Currency:

"Concurrent resolution memorializing Congress to cause to be issued coins commemorating the centennial of the admission of the State of Minnesota into the Union

"Whereas by act of Congress Minnesota was admitted to the Union May 11, 1858; and "Whereas plans are being made for a statewide celebration of this centennial in the year 1958; and

"Whereas Congress has many times previously authorized the issuance by the United States Treasury of commemorative coins for other States: Now, therefore, be it











15. BUDGET; SURPLUS PROPERTY; TRAVEL. The Government Operations Committee reported without amendment S. 1705, to amend the Legislative Reorganization Act of 1946 to create a Joint Committee on the Budget (S. Rept. 352); with amendments H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949, so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes (S. Rept. 351); and with amendment S. 1795, to amend the Travel Expense Act of 1949, to provide an increased maximum per diem allowance for subsistence and travel expenses (S. Rept. 353) (p. 5421).
16. EXPENDITURES; APPROPRIATIONS. Sen. Byrd inserted a statement of the Joint Committee on Reduction of Nonessential Federal Expenditures relating to unexpended balances of Federal appropriations as of Dec. 31, 1954 (p. 5437).
17. PRICE SUPPORTS. Sen. Langer inserted his letter to Sens. Ellender and Johnson requesting that an opportunity be given to vote on H. R. 12, the 90 percent price support bill, before the adjournment of Congress (p. 5441).
18. EDUCATION. Sen. Carlson urged increased funds for the international education exchange program (p. 5440).
19. REORGANIZATION. Sen. Neuberger criticized certain recommendations of the Hoover Commission and inserted a New York Times article discussing the latest recommendations of the Commission (pp. 5443-4).
20. ROADS. Sen. Byrd inserted various newspaper articles discussing the President's proposed highway plan (pp. 5474-9).
21. BOUNDARY FENCE; FORESTS; ACCESS ROADS; RECLAMATION; WATER RESEARCH. The Interior and Insular Affairs Committee ordered reported without amendment S. 76, to authorize a Mexican boundary fence; S. 55, authorizing payment for interest in lands within the Coconino and Sitgreaves National Forests, Ariz.; S. 1464, to acquire certain rights-of-way and timber access roads. The Committee ordered reported with amendment S. 180, to authorize the Washita River Basin project, Okla.; H. R. 103, to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies; and S. 516, extension of the saline water program (p. 5425).
22. RECESSED until Thurs., May 19 (p. 5487). Legislative program as announced by Majority Leader Johnson: Thurs., bills to amend REA loan formula and to provide surplus property for educational and health purposes; and Fri., road bill (pp. 5458-9).

#### ITEMS IN APPENDIX

23. PERSONNEL. Extension of remarks of Rep. Van Zandt in support of H. R. 5927 providing for a ready reserve and transfer from ready reserve to standby reserve of essential civilian government employees (pp. A3361-63).
24. RURAL ELECTRIFICATION. Rep. Karsten inserted an editorial from the St. Louis Post-Dispatch criticizing the inoperation of contract between the Southwestern Power Administration and five Missouri coops (p. A3368).
25. WATER. Extension of remarks of Rep. Phillips in support of H. R. 2126 to extend research in conversion of saline water to fresh water (p. A3370).  
Extension of remarks of Rep. Teague, Calif., in support of H. R. 2126, to extend research in the conversion of saline water to fresh water (pp. A3386-7).



26. FOREIGN AID. Rep. Smith, Wis., inserted an editorial from the Janesville, Wis., Gazette expressing concern over the cost of further technical aid to southeast Asia (p. A3370).
27. FOOD SUPPLY. Extension of remarks of Rep. Griffiths on Michigan Week and noting that Michigan has an important agriculture industry (p. A3376).
28. TRADE. Rep. Gross, Iowa, inserted an article by Ed Wimmer of the National Federation of Independent Business, Inc. appearing in the Cincinnati Enquirer in opposition to lower tariffs. It notes Secretary Benson's remarks on disposal of farm surpluses (p. A3377).  
Rep. Ostertag inserted an article from the Rochester Democrat and Chronicle based on findings by the League of Women Voters of Monroe County, N. Y., expressing sentiment favorable to the reciprocal trade bill (p. A3378).
29. RECLAMATION. Rep. Rhodes inserted an editorial from the Phoenix Gazette criticizing Leslie A. Miller of the Hoover Commission for unfavorable comments in a Reader's Digest article on reclamation and water supply in Central Arizona and the Upper Colorado River Basin (p. A3381).
30. PRICE SUPPORTS. Rep. Hope included an editorial from the Falls City, Nebr., Journal in support of high rigid farm supports (p. A3381).  
Sen. Goldwater inserted an article from Business Week commenting favorably on the Administration's farm program of flexible supports and more efficient farms (pp. A3393-4).  
Sen. Thye inserted an editorial from the St. Paul Pioneer Press denouncing the use of the flexible-rigid price support controversy as a political football (p. A3394).  
Sen. Thye inserted a telegram from M. W. Thatcher of the Farmers Union Grain Terminal Association in favor of 90% of parity price supports (pp. A3397-8).
31. EXTENSION WORK. Extension of remarks of Rep. Hoeven on the value and importance of agricultural research, the county agent, farm institutes, and the role of the state and federal agricultural services (pp. A3382-5).
32. POULTRY. Sen. Thye inserted an article from the Minneapolis Morning Tribune commenting on the difference between prices received by the farmer and consumer cost for poultry products (p. A3393).
33. FOOD SURPLUSES. Sen. Langer inserted a letter from M. F. Peterson, superintendent of the N. Dak. Department of Public Instruction, in favor of the school lunch program as a means of disposing of food surpluses (p. A3397).
34. DAIRY INDUSTRY. Sen. Thye inserted an article from the Minneapolis Morning Tribune suggesting the opening of eastern markets to midwestern milk (p. A3402).
35. PUBLIC POWER AND RECLAMATION. Rep. Dawson inserted an editorial from the Charleston, W. Va., Gazette supporting the Colorado River Storage project (p. A3409).  
Rep. Metcalf inserted an article which appeared in the St. Louis Post-Dispatch critical of the Administration's public power policies (p. A3409).
36. SUGAR QUOTAS. Rep. Morano inserted a letter from H. T. Jensen of the Federal Paper Board Company lowering Cuban sugar quotas (p. A3411).



The tabulation of the Commonwealth Club ballot returns is recorded on the attached sheet.

Very truly yours,

STUART R. WARD,  
Executive Secretary.

#### VOTE OF COMMONWEALTH CLUB ON BRICKER AMENDMENT

Ballot of club membership following circulation to all club members of report of international relations section and pro and con report meeting discussion (vote tabulated April 21, 1955).

##### TREATIES

1. Are existing provisions of the Constitution adequate to prevent abuse of the treaty-making power? Yes, 583; no 500.
2. Do you believe treaties should be able to impair the protections given the people in the first ten amendments? Yes, 61; no, 1,053.
3. Should the Constitution prohibit the Federal Government from entering into international pacts which invade the powers reserved to the States by the Constitution? Yes, 615; no, 475.
4. Do you think the Constitution should have an express provision to the effect that no treaty shall supersede any provision of the Constitution? Yes, 645; no, 469.

##### EXECUTIVE AGREEMENTS

5. Do you believe that treaties are in danger of being supplanted by executive agreements? Yes, 626; no, 490.
6. Do you believe that an executive agreement—
  - (a) Should prevail over the laws of a State? Yes, 304; no, 806.
  - (b) Should prevail over Federal laws? Yes, 112; no, 1,001.
7. Do you believe that the power to make executive agreements—
  - (a) Has been abused in the past? Yes, 796; no, 324.
  - (b) May be abused in the future? Yes, 808; no, 277.
8. (a) Should the President as director of our foreign affairs have the power to make such an agreement as Yalta? 246; or
  - (b) Should Congress have the power to regulate it? 131; or
  - (c) Should such power of the President be subject to approval by the Senate? 728.
9. (a) Should approval by both Houses of Congress be required before the President as Commander-in-Chief may make an agreement bringing hostilities to an end (as in the Japanese surrender)? Yes, 249; no, 782.
- (b) Should such power be subject to approval by the Senate only? Yes, 612; no, 351.

##### BRICKER AMENDMENT

10. (a) Should section 1 of the Bricker amendment be adopted? Yes, 647; no, 467. (Section 1. A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.)
- (b) Should section 2 of the Bricker amendment be adopted? Yes, 562; no, 512. (Sec. 2. A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.)
- (c) Should the first sentence of section 3 of the Bricker amendment be adopted? Yes, 517; no, 575. (Sec. 3. Congress shall have power to regulate all executive and other agreements with any foreign power or international organization.)

(d) should the second sentence of section 3 of the Bricker amendment be adopted? Yes, 547; no, 518. (All such agreements shall be subject to the limitations imposed on treaties by this article.)

#### NINETY-PERCENT PARITY

Mr. LANGER. Mr. President, as a Member on this side of the aisle, let me say that I believe the other side will be responsible for whether or not the Senate will have an opportunity to vote on 90-percent parity. The people of my State are very eager to have a vote on this question, even though the bill, if passed by the Senate, should be vetoed by the President.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter which I have written to the distinguished Senator from Louisiana [Mr. ELLENDER], chairman of the Senate Committee on Agriculture and Forestry; also a letter which I have written to the distinguished majority leader [Mr. JOHNSON of Texas]. I sincerely hope that we may have an opportunity to vote on House bill 12 before the adjournment of Congress.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 16, 1955.

HON. ALLEN J. ELLENDER,  
Chairman, Senate Committee on Agriculture, United States Senate,  
Washington, D. C.

MY DEAR MR. CHAIRMAN: Rightfully or wrongfully, the statement has gone out that the Senate is not going to consider H. R. 12, passed by the House on May 4, 1955, for 90-percent parity.

While I realize that the bill passed the House by only a margin of five, nevertheless, I am stating the views of my constituents in North Dakota—and I believe in the Northwest—when I respectfully ask that under your chairmanship, this bill be reported to the Senate.

Even if the bill is vetoed by President Eisenhower, the people in my State will want to know where the responsibility for not passing this bill—which was promised to the people during the last campaign—may lie.

Thanking you for the many courtesies you have shown me, and hoping that you are well and happy, I am

Sincerely,

MAY 16, 1955.

HON. LYNDON JOHNSON,  
Majority Leader of the Senate,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR: Rightfully or wrongfully, the statement has gone out that the Senate is not going to consider H. R. 12, passed by the House on May 4, 1955, for 90 percent parity.

While I realize that the bill only passed the House by a margin of 5, nevertheless, I am stating the views of my constituents in North Dakota—and I believe in the Northwest—and I respectfully ask that under your leadership of the Democratic majority, that an opportunity will be given the Senators to vote upon this bill.

Today I have written Senator ALLEN J. ELLENDER, chairman of the Agriculture Committee, asking that the committee report out the bill for action by the Senate, because even if the bill is vetoed by President Eisenhower, people in my State want to know where the responsibility for not passing this bill—which was promised to the people during the last campaign—may lie.

Thanking you for the many courtesies you have shown me, and hoping that you are well and happy, I am

Sincerely,

Mr. LANGER. Mr. President, in the same connection, I ask unanimous consent to have printed in the RECORD at this point a telegram which I have received from Hon. M. W. Thatcher, general manager of the Farmers Union Grain Terminal Association of St. Paul, Minn.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., May 16, 1955.  
The Honorable WILLIAM LANGER,  
Senate Office Building,  
Washington, D. C.:

We have received the news of your determination to fight for 90-percent support prices for the basic commodities as the most important domestic news of the day. We are in the midst of a very costly advertising program, in addition to our radio, to explain to the farmers the calamitous situation that may confront this country if our support programs fall apart in 1956 and 1957. We are very proud of our Senators from these Central Northwest States. Our continuing farm survey audit discloses the same general character of economic deterioration on the farms as those which we gave you in our preliminary statement last March. Your position of today will be one for which you will later on be very proud. I firmly believe that if our Senators do their utmost that we can prevail in the committee and in the Senate. If this action should not be completed before the wheat referendum of June 25, the combination of an unfavorable wheat vote followed by an unfavorable action of the Senate would, in my judgment, cause irreparable damage to the entire price-support program. The House has approved this legislation and I now believe that, if the Senate approves it, President Eisenhower would not veto it.

Deep appreciation and best regards.

M. W. THATCHER,  
General Manager, Farmers Union  
Grain Terminal Association.

#### STATUS OF VISA APPLICATIONS UNDER REFUGEE RELIEF PROGRAM

Mr. LANGER. Mr. President, as chairman of the Subcommittee on Refugees, Expellees, and Escapees of the Committee on the Judiciary, I ask to have printed in the RECORD a copy of a statement submitted by the Department of State on May 6 last relative to the status of visa applications under the refugee relief program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:



*Refugee relief program, status of visa applications, May 6, 1955*

|                                                   | Italy  | Greece | Nether-lands | Germany | Austria | Far East | Others | Total   |
|---------------------------------------------------|--------|--------|--------------|---------|---------|----------|--------|---------|
| 1. Applicants notified of documents required..... | 62,744 | 17,506 | 1,211        | 19,307  | 9,552   | 2,175    | 3,970  | 116,465 |
| 2. Visas issued.....                              | 17,946 | 4,761  | 512          | 1,730   | 2,298   | 584      | 462    | 28,293  |
| 3. Visas refused.....                             | 1,465  | 674    | 25           | 1,846   | 853     | 569      | 236    | 5,668   |
| 4. Canceled action.....                           | 543    | 106    | 109          | 876     | 495     | 67       | 247    | 2,443   |
| 5. Applicants still in process.....               | 42,790 | 11,965 | 565          | 14,855  | 5,906   | 955      | 3,025  | 80,061  |
| 6. Assurances received by Administrator.....      | 5,705  | 8,874  | 300          | 11,291  | 4,313   | 2,648    | 3,607  | 36,738  |
| 7. Assurances verified and sent to field.....     | 4,820  | 7,894  | 178          | 10,110  | 3,999   | 2,157    | 2,779  | 31,937  |
| Assurances received.....                          |        |        |              |         |         |          |        | 36,738  |
| Assurances sent to field.....                     |        |        |              |         |         |          |        | 31,937  |
| Assurances canceled returned.....                 |        |        |              |         |         |          |        | 2,296   |
| Assurances on hand.....                           |        |        |              |         |         |          |        | 2,505   |

NOTE.—All figures cumulative. Items 6 and 7 reflect principal aliens only.

Source: State—FD, Washington, D. C.

### CONTRIBUTIONS TO GOOD CITIZENSHIP BY GIRL SCOUTS OF AMERICA

Mrs. SMITH of Maine. Mr. President, everyone interested in developing an informed and active electorate will rejoice with me, I am sure, at the news that the Girl Scouts are continuing their efforts to train girls in participating citizenship. Word has just reached me that the national Girl Scout organization once more has reminded its 1,340 councils of plans for local get-out-the-vote campaigns, and has urged girls in Scouting to cooperate as aids to voters with the voter education drives of nonpartisan organizations. Initiated in 1952, the Girl Scout aids-to-voters program each year has given hundreds of thousands of girls opportunities to work with adults to bring about as high a level as possible of voter information and activity.

One may ask how in the world little girls can help increase voter interest. Basically, they furnish willing hands and nimble feet to augment the effectiveness of adult volunteers. They influence their families, neighbors, and adult friends. Even 7-year-old Brownies can distribute informational literature, hang reminder tags on doorknobs, obtain pledges to register and vote. And the clever little hands that stuff envelopes for the March of Dimes or the Christmas Seal campaign certainly can contribute the same girl power to a get-out-the-vote drive.

In the aids-to-voters program older Girl Scouts man information centers, demonstrate the use of voting machines, and help adults locate their own voting districts or polling places. They serve as babysitters to release adults for educational activities. On registration, primary, or election day, they set up informal nursery centers where babies and toddlers can be cared for while mothers go to the polling places.

All these very practical contributions to voter information and activity are a part of an overall Girl Scout program whose objective is to help girls grow up to be useful citizens.

The aids-to-voters program is, in addition, a part of a citizenship training program exemplified by such proficiency badges as "Active Citizen," "My Community," "My Country," "My Government," for which more than 100,000 girls, 10 through 13 years old, qualify each year.

These various badges cover a broad range of information important to citizens of all ages—information about the privileges and responsibilities of citizenship, the basic documents of American democracy, the workings of representative government, and the functions of government at local, State, and National levels. The most difficult of them, "My Government," was introduced 2 years ago. When it was brought to my attention at that time, I found myself in hearty agreement with the educators and civic leaders who helped the Girl Scouts outline and develop it, and who felt that the requirements would have been challenging even for an adult.

Even though the "My Government" badge is one of the most difficult ever offered to girls in Scouting, more than 11,000 girls of junior-high-school age have qualified for it in the 2 years since it was introduced. Because it provides, in effect, a postgraduate course in citizenship knowledge and skills, its popularity indicates that we may look forward to growing numbers of girls who, thanks to their Girl Scout training, will reach voting age with an exceptionally broad background of useful information. And since the hope of the future lies in the skill, the knowledge, and the sense of responsibility of our voters, I am happy to bring to the attention of Senators the contribution to the growth of informed citizenship which is being made by the Girl Scout organization.

### NORWEGIAN INDEPENDENCE DAY

Mr. THYE. Mr. President, I ask unanimous consent that I may be permitted to proceed for more than the usual 2 minutes, so that I may make a brief statement on Norwegian Independence Day, May 17.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. THYE. Mr. President, May 17, 1955, finds millions of Norwegians and persons of Norwegian descent commemorating the 141st anniversary of the declaration of Norway's independence. It was with faith and vision that a small group of men met at Eidsvold on May 17, 1814, to promulgate a constitution which would guide the destinies of their country for generations to come. The dramatic and moving chapters of the story of Norway

and its people have left a lasting imprint on world history.

To understand how such a relatively small country could contribute so much to civilization, one must come to recognize the characteristics of its people. They are a reverent people, who recognize man as the creation of God. A driving spirit of independence and love for freedom is a part of all Norwegians. They are highly creative and inherent in their makeup is a restraint and calm which has tempered their action and thinking.

The United States, within its 48 States, has more than one million people who were either born in Norway or are of Norwegian descent. In Minnesota we have nearly one-fourth of this total. These people began a migration to the United States when 53 immigrants from Stavanger landed in New York Harbor on October 9, 1825. The spirit of Norway was carried by subsequent immigrants who settled in Illinois, moved north into Wisconsin and Iowa, and west to Minnesota and the Dakotas. Next came a major move into Montana and a final path into the great Pacific Northwest, with settlements springing up in Washington and Oregon. Later, California attracted a sizable number, as did Alaska.

These were the people who went into the forests of the North and West and made logging and sawmill operations an exciting era in our history. It was the Norwegians who tilled the soil and built up the farms which provided food and fiber for a growing country.

They used the lumber to build communities which still stand as testimonials to their courage and industry. They also turned to the waters in the development of the shipping and fishing industries.

Underlying all this activity there was a consistent determination on the part of these people to provide for future generations. This was not a selfish exploration of land and resources with no thought for tomorrow. They demonstrated a lesson in living which we will do well to emulate in our day.

As they worked long hours to provide for the necessities of life, so also did they erect schools for their children, churches in which to worship, homes which exemplified family life at its best, and local governments which fostered freedom. Here we find the seeds from which grew the great contributions the Norwegians have made to the history of the United States.

To call the roll of all who have risen to fame from the ranks of these Norwegian immigrants would fill volumes. But to remind us of this great heritage, let us go through the ranks and demonstrate their contribution by citing a few examples.

Olaf Hoff constructed tunnels under the Detroit and Harlem Rivers. In New York City, the Holland, Lincoln, and Queens Midtown tunnels were built by Ole Singstad. We look across at the Supreme Court Building here in the Nation's Capital and recall that it was built by Gunvald Aus and Kort Merle, who also erected the Woolworth Building in New York.











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued May 19, 1955  
For actions of May 18, 1955  
84th-1st, No. 82

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HIGHLIGHTS: Senate committee ordered reported bill to reduce interest rates on disaster loans. Senate committee agreed to begin hearings on price support bill. House committee reported bill to prohibit USDA prediction of apple prices. House debated reserve forces bill. House committee ordered reported bill to increase per diem allowances.

## HOUSE

1. RESERVE FORCES. Continued debate on H. R. 5297, to provide for strengthening of the Reserve Forces (pp. 5552-87).
2. APPLE PRICES. The Agriculture Committee reported with amendment H. R. 5188, to prohibit publication by the Government of any prediction with respect to apple prices (H. Rept. 599) (p. 5591).
3. TRAVEL EXPENSE. The Government Operations Committee ordered reported H. R. 6295, to provide an increase in maximum per diem allowances for subsistence and travel expenses (p. D434).
4. PERSONNEL. Received from the Civil Service Commission a proposed bill to "amend the Federal Employees' Group Life Insurance Act of 1954 (Public Law 598, 83d Cong.) as follows: 'That the third proviso of section 7 (d) of the Federal Employees' Group Life Insurance Act of 1954 is hereby repealed';" (re: formula for apportioning reinsurance); to Post Office and Civil Service Committee (p. 5591).

## SENATE

5. PRICE SUPPORTS. The Daily Digest states that the Agriculture and Forestry Committee, "in executive session, adopted, by a vote of 8 to 7, a motion providing that the committee will begin hearings on price support legislation (including H. R. 12, to amend the Agricultural Act of 1949 with respect to price supports for basic agricultural commodities) as soon as practicable, and that these hearings may be terminated at any time by a majority vote of the committee" (p. D431).



6. DISASTER LOANS. The Agriculture and Forestry Committee ordered reported S. 1755, to reduce interest rates from 5 to 3 percent on disaster loans (p. D431).

#### ITEMS IN APPENDIX

7. BUDGET. Extension of remarks of Rep. Rodino, Jr., urging a Joint Budget Committee of Congress to expedite appropriation bills (pp. A3416-7).
8. RECLAMATION; ELECTRIFICATION. Rep. Hull, Jr., inserted a newspaper article commenting on the vital role of the Mississippi Valley in power, reclamation, and agricultural programs (pp. A3417-8).  
Rep. Engle inserted newspaper articles commenting on the value of a multi-purpose dam on the Trinity River and criticizing the Administration for consideration of PGE in this project (pp. A3418-21).  
Rep. Budge inserted a newspaper article urging that the government construct the Hells Canyon dam under the existing National Reclamation Act rather than under a separate measure (p. A3428).  
Rep. McDonough inserted editorials from the Los Angeles Herald-Express and Los Angeles Times denouncing the upper Colorado River project because it would deprive southern California of necessary water (pp. A3430-1).
9. RURAL ELECTRIFICATION. Rep. Coon inserted an editorial from the Portland Oregonian supporting H. R. 5789, which provides for construction of the John Day Dam on the Columbia River (pp. A3423-4).
10. SALT-WATER RESEARCH. Extension of remarks by Rep. Edmondson, Okla., supporting the purpose of H. R. 2126 and S. 516, which would extend and expand salt water conversion research (p. A3435).
11. RECORDS; INFORMATION. Extension of remarks of Rep. McDonough in support of the Hoover Commission's report on paperwork management (pp. A3436-7).

#### BILLS INTRODUCED

12. HOLIDAY. H. R. 6338, by Rep. Zablocki, declaring Good Friday in each year to be a legal public holiday; to Judiciary Committee (p. 5592).
13. PERSONNEL. H. R. 6339, by Rep. Zelenko, to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the U. S. may be based on not to exceed 40 years of service; to Post Office and Civil Service Committee (p. 5592).  
H. R. 6344, by Rep. Barrett, to amend the Civil Service Retirement Act of May 29, 1930, to liberalize the retirement benefits of female officers and employees; to Post Office and Civil Service Committee (p. 5592).  
H. R. 6348, by Rep. Murray, Tenn., to amend the Federal Employees' Group Life Insurance Act of 1954; to Post Office and Civil Service Committee (p. 5592).
14. FORESTRY. H. R. 6347, by Rep. Miller, Calif., to recognize and facilitate the administration of the multiple uses of the national forests and other lands under the jurisdiction of the Secretary of Agriculture; to Agriculture Committee (p. 5592).











AGRICULTURE—RAISING THE INCOME AND ADVANCING THE SECURITY OF OUR FARM FAMILIES

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M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

AGRICULTURE AND TO RAISING THE INCOME AND ADVANCING THE SECURITY OF OUR FARM FAMILIES

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JANUARY 9, 1956.—Referred to the Committee on Agriculture and ordered to be printed

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*To the Congress of the United States:*

In this session no problem before the Congress demands more urgent attention than the paradox facing our farm families. Although agriculture is our basic industry, they find their prices and incomes depressed amid the Nation's greatest prosperity. For 5 years, their economy has declined. Unless corrected, these economic reversals are a direct threat to the well-being of all our people.

But more than prices and incomes are involved. In America, agriculture is more than an industry; it is a way of life. Throughout our history the family farm has given strength and vitality to our entire social order. We must keep it healthy and vigorous.

Efforts toward this goal have been unremitting. Many new foundations of permanent value to all farm families have been laid in the past 3 years. Two years ago a new farm law was enacted, designed to gear agricultural production incentives to potential markets, thereby giving promise to our farm people of a stable and dependable future once the wartime inheritance of surpluses is removed from the farm economy. Loan programs have been substantially improved, enabling many more farmers to acquire family-sized farms and to improve their farms and homes. The benefits of social-security protection have been extended to farm families. The return of the

Farm Credit Administration to farmer control, expansion of soil-conservation assistance and rural electrification and telephone programs, increased funds for research and extension work, initiation of new programs to aid low-income farm families, adoption of tax provisions of benefit to farm people, increased storage facilities, upstream soil conservation programs, greatly expanded disposal activities for surplus farm products, strengthening our Department of Agriculture representation overseas in the interest of expanded markets—these and other advances have permanently reinforced the foundations of all agriculture.

Yet, beneficial though these advances are, persistent and critical farm problems require prompt congressional action in this session.

Remedies for these problems demand a clear understanding of their principal causes. These are—

First: Production and market distortions, the result of wartime production incentives too long continued;

Second: Current record livestock production and near-record crop harvests piled on top of previously accumulated carryovers;

Third: Rising costs and high capital requirements.

In short, we have an oversupply of commodities, which drives down prices as mounting costs force up from below. Thus is generated a severe price-cost squeeze from which our farm people, with the help of Government, must be relieved.

We must free the farm economy from distortions rooted in wartime needs and thus enable our people in agriculture to achieve prosperity; in so doing they will help carry the Nation's prosperity to still greater heights. The administration and the Congress must move together to achieve this goal.

The requirements are clear. New means are needed to reduce surpluses and to widen markets. Costs must be cut and production must be better balanced with prospective needs.

### THE MAIN PROBLEM—THE SURPLUS

Of the many difficulties that aggravate the farm problem, mountainous surpluses overshadow everything else. Today's surpluses consist of commodities produced in a volume imperatively needed in wartime but unmarketable in peacetime at the same prices and in the same quantity.

The plain fact is that wartime production incentives were too long continued.

During the past 3 years there has been no lack of effort to get rid of surplus stocks. Disposal efforts have been diligent and vigorous. Vast quantities have been moved, much of them given away. In the past 3 years we have found outlets for commodities in a value of more than \$4 billion—far more than in any comparable period in recent history.

But these disposal efforts have not been able to keep pace with the problem. For each bushel-equivalent sold, one and a half have replaced it in the stockpiles. Farmers, the intended beneficiaries of the support program, today find themselves in ever-growing danger from the mounting accumulations. Were it not for the Government's bulging stocks, farmers would be getting far more for their products today.



Other consequences of past farm programs have been no less damaging. Both at home and abroad, markets have been lost. Foreign farm production has been increased. American exports have declined. Foreign products have been attracted to our shores.

Steadily this chain of events has lengthened. Our farmers have had to submit to drastic acreage controls that hamper efficient farm management. Even these controls have been self-defeating because acres diverted from price-supported crops have been planted to other crops. These crops have been thrown into surplus and their prices have declined. Today, almost without regard to the livestock or crop he produces, nearly every farmer is adversely affected by our surpluses. The whole process, for instance, has contributed to the present plight of hog producers.

When 3 years ago this administration assumed its responsibility in agriculture, work was begun immediately on what became the Agricultural Act of 1954. That act was developed and passed with bipartisan support, as all our agricultural legislation should be.

The 1954 law brought realism into the use of the essential tool of price supports. It applied the principle of price flexibility to help keep commodity supplies in balance with markets. That principle is sound and essential to a well-rounded farm program. For two reasons, the 1954 law has not yet been able to make its potential contribution to solving our farm troubles. First, the law began to take hold only with the harvests of 1955; it has not yet had the opportunity to be effective. Second, the operation of the new law is smothered under surpluses amassed by the old program.

The attack on the surplus must go forward in full recognition of the fact that farm products are not actually marketed when delivered to and held by the Government. A Government warehouse is not a market. Even the most storable commodities cannot be added forever to Government granaries, nor can they be indefinitely held. Ultimately the stockpiles must be used.

It is unthinkable to destroy food. Instead, we must move these stocks into domestic consumption or dispose of them abroad. Neither route under present conditions offers the results often expected. Surpluses moved domestically almost always compete directly with crops farmers are trying to sell. Moved abroad in quantities large enough to remedy present difficulties, they would shatter world prices and trade, injure our friends and undermine domestic prices as well.

To be sure, outlets for some of the surplus exist both at home and abroad. But experience has amply proved that neither the home nor foreign market can, under present conditions, readily absorb the tremendous stocks now depressing our agriculture.

Clearly new action is imperative. We must stop encouraging the production of surpluses. We must stop shifting acres from one crop to another, when such shifts result in new surpluses. Nor can crop problems be converted into millstones weighing down upon the producers of livestock.

Remedies are needed now, and it is up to the administration and the Congress to provide them swiftly. As we seek to go forward, we must not go back to old programs that have failed utterly to protect farm families.

I recommend, therefore, the following nine-point program. I urge the Congress to pass this program with maximum speed, for delay

can only aggravate and multiply the difficulties already sorely harassing millions of our rural people.

### 1. THE SOIL BANK

Our most pressing need today is to work off our surpluses so that our basic program of 1954 can succeed in gearing production to prospective markets at fair prices. A three-pronged attack is needed.

First: Future production of crops in greatest surplus must be adjusted both to the accumulated stocks and to the potential markets.

Second: Producers of other crops and of livestock must be relieved of excessive production from acreage diverted from surplus crops.

Third: Lands poorly suited to tillage, now producing unneeded crops and subject to excessive wind and water erosion, must be retired from cultivation.

These essential adjustments can all be hastened through a soil-bank program. I recommend a soil bank of two parts.

The first is designed to meet the immediate need to reduce the crops in greatest oversupply. It may be called the acreage-reserve program.

The second part is a long-range attack to achieve better land use and protect farmers and ranchers from the effects of production on acres already diverted. It may be called the conservation-reserve program.

#### *A. The acreage-reserve program*

I recommend that the Congress consider a voluntary additional reduction in the acreage of certain crops which today are in serious surplus—wheat, cotton, corn, and rice.

In considering the application of this program to each of these crops, the Congress will wish to accord special attention to their distinctive problems—notably in the case of corn—as set forth later in this message.

I do not propose this program as a device to empty Government warehouses so they may be filled again. There is, therefore, a basic corollary to the acreage reserve program: in future years we must avoid, as a plague, farm programs that would encourage the building up of new price-depressing surpluses.

What I here propose is essentially a deferred-production plan. As a necessary part of the voluntary acreage reduction, it is essential to protect the farmer's income. It would be grossly unfair to require farmers to bear the full burdens of this readjustment. Just as other readjustments from war were shouldered in considerable part by the Nation as a whole, so should this.

In the case of wheat and cotton, for example, I look to a voluntary reduction equivalent to possibly one-fifth of the acreage otherwise permitted by allotments—perhaps 12 million acres of wheat and 3 million of cotton. It should be practical to include wheat already seeded if it is incorporated with the soil, as green manure, or by other accepted practices. This would make it possible for more farmers to enter the program immediately and thereby start at once to work down the surplus.



Administrative discretion is needed to assure that the rates of reduction in different areas are related to the supply and demand conditions for different grades and classes. The farmer's cooperation in this temporary program must not impair his historic acreage allotments. Rights of tenant farmers must be protected. I should expect the reduction in wheat and cotton plantings to continue for some 3 or 4 years, during which time these huge crop carryovers should decline to normal levels.

In return for their voluntary participation in the acreage-reserve program cooperating farmers will be allocated certificates for commodities whose value will be based on the normal yields of the acres withheld in this reserve. I recommend that these certificates be made available to cooperating farmers through their county agricultural stabilization committees at normal harvesttime for each crop. The certificates will be negotiable so farmers can convert them to cash. They will be redeemable by the Commodity Credit Corporation in cash, or in kind at specified rates.

I further recommend that the legislation provide that each participating farmer contract to refrain from cropping or grazing any land he puts in the acreage reserve.

By so reducing crop production, commodities now in Government ownership can be used to supply market needs up to a proportionate amount. Thus the bulging Commodity Credit Corporation stocks can be correspondingly worked down without depressing current market prices.

The program will operate in this way: A farmer, with an allotment of 100 acres of wheat, for example, may choose to plant only 80 acres and put the remaining 20 in the acreage reserve. His acreage allotment will not be affected. He will agree not to graze or harvest any crop from the 20 acres put into the reserve.

In return for this cooperation in the temporary acreage reduction program, he will receive a cashable certificate. The certificate will be equal to a percentage of the value of the crop he would have normally harvested from the 20 acres. This percentage will be set at an incentive level sufficiently high to assure success of the program.

This deferred-production plan uses the surplus to reduce the surplus.

It will be financed with commodities already owned and paid for by the Government. Time and shrinkage, storage and other costs are eroding away the present value of these stocks. Consequently, the real net cost to the Government—taking these and other facts into consideration—will be substantially less than the apparent cost in payments made on certificates.

I emphasize that this program is specifically intended to provide an income to farmers while the essential adjustment in stocks is being accomplished.

There are many virtues in the plan.

It will help remove the crushing burden of surpluses, the essential precondition for the successful operation of a sound farm program.

It will reduce the massive and unproductive storage costs on Government holdings—costs that are running about a million dollars a day.

It will provide an element of insurance since farmers are assured income from the reserve acres even in a year of crop failure.

It will ease apprehension among our friends abroad over our surplus-disposal program.

It will harmonize agricultural production with peacetime markets.

#### *B. The conservation reserve*

The second part of the soil bank—the conservation reserve program—affects both today's surpluses and tomorrow's needs of our growing population.

Under the pressures of war and the production incentives continued in postwar years, large areas have come into cultivation which wise land use and sound conservation would have reserved to forage and trees.

In greater or lesser degree this problem exists throughout the Nation. Continued cropping of these lands results, on the one hand, in wastage of soil and water resources, and on the other, in production of commodities now in surplus.

Today the Nation does not need these acres in harvested crops.

We cannot accurately predict our country's food needs in the years ahead, except that they will steadily increase. We do know, however, that the sound course both for today and tomorrow is wisely to safeguard our precious heritage of food-producing resources so we may hand on an enriched legacy to future generations. The conservation reserve program will contribute materially to that end.

Further, production from the acres today diverted from surplus crops is now seriously affecting other segments of our agriculture. The acreage of feed grains, notably oats, barley, and grain sorghums, has been increased. The end product of this diversion has been greatly enlarged supplies of and lower prices for hogs, cattle, and dairy and poultry products. Producers of fruit, vegetables, and other crops have been adversely affected. The proposed conservation reserve can also make a major contribution to solving this problem of diverted acres.

I propose that farmers be asked to contract voluntarily with the Government to shift into forage trees and water-storage cultivated lands most needing conservation measures. Any farmer would be eligible to participate in this program regardless of the crop he produces or the area where his farm is located. I would hope that some 25 million acres would be brought into the conservation reserve.

Forest lands under good management are a constant and a renewable resource. One-third of our forest area is in farm woodlands. From this source can come a large share of the lumber, pulpwood, and other forest products to meet the growing needs of our expanding economy. The conservation reserve can mean productive and protective tree cover for less productive lands now used for cultivated crops.

The Government itself must encourage this transfer in order to achieve the advantages to the general welfare that will follow from improved resource use. I propose, therefore, that the Government pay a fair share of the costs of establishing the conservation use, up to a specified per acre maximum, that will vary by regions. The Gov-



ernment's share will be sufficiently high to encourage broad participation and thus assure the success of the program. Further, as the farmer reorganizes his farm along these soil-conserving lines, I recommend that the Government provide certain annual payments for a period of years related to the length of time needed to establish the new use of the land. The Congress will need to develop the basis and procedures for determining the amount of the payments. Here, as in the acreage-reserve program, I would not let the farmer's cooperation impair his historic acreage allotments.

The farmer, in turn, will agree that the acres put into this conservation reserve will be in addition to any land that he may put into the acreage reserve, and will represent a reduction in cropland cultivated. He will agree to carry out sound soil and water conservation on these acres, and to refrain from returning them to crop production and from grazing them for a specified period.

I urge the Congress to approve this program with the least possible delay so that a significant part of the desired 25 million acres can come into the program in 1956.

My estimate is that, if the Congress acts in time, some \$350 million will be invested in the conservation reserve during the calendar year 1956, and a total of about a billion dollars over the next 3 years. Sums expended under this program will be in addition to the \$250 million provided for the agricultural conservation program for the coming fiscal year.

In return the conservation reserve program will bring these large rewards:

It will result in improved use of soil and water resources for the benefit of this and future generations.

It will increase our supply of much-needed farm-grown forest products.

It will help hold rain and snow where they fall and make possible more ponds and reservoirs on the farm.

It will reduce the undue stimulus to livestock production, and consequent low livestock prices, induced by feed-grain production on diverted acres.

It will similarly provide protection for producers of the many small-acreage crops whose markets are threatened by even a few diverted acres.

In combination with the acreage-reserve program for crops in surplus, the conservation-reserve program will help during the next several years to reduce the total volume of farm production and improve the balance among different farm commodities, both of which are important to a general improvement in farm prices.

## 2. SURPLUS DISPOSAL

Production adjustments effected by the soil bank are needed to halt current additions to surpluses and to reduce stocks on hand. But additional relief must be obtained from the price-depressing influence of these huge carryovers. In Public Law 480 the Congress has provided basic legislation for this purpose. The problem still exists, but not for lack of vigorous efforts to deal with it.

Surplus disposals have permitted substantial reductions in Commodity Credit Corporation stocks of butter, dried milk, cottonseed oil

and meal, flaxseed and linseed oil and seeds. Surplus disposals by the Commodity Credit Corporation have risen from just over half a billion dollars in fiscal 1953 to more than \$1.4 billion in fiscal 1954, and to more than \$2.1 billion in fiscal 1955.

In the last fiscal year sales of Government-owned price-supported commodities into the domestic market reached \$403 million. These were made with due care for the adverse effect they might have on prices received by farmers for current sales. Domestic donations to supply food for needy persons totaled an additional \$196 million. Overseas disposals, through barter and donations for constructive purposes, totaled \$1.1 billion. In spite of these vigorous efforts, the Commodity Credit Corporation investment in price-supported commodities increased by about \$1 billion during the fiscal year.

Because the problem continues to be so serious and stubborn, the Secretary of Agriculture is appointing an Agricultural Surplus Disposal Administrator, who will report directly to the Secretary. The duties of the Administrator will relate to all activities of the Department associated with the utilization of Commodity Credit Corporation stocks and of our current abundant production.

Expanded opportunities will be sought to barter agricultural products, which deteriorate and are costly to store, for increased quantities of nonperishable strategic materials. Additional legislation may be needed in this field.

The bulk of price-supported commodities held by the Government cannot now by law be sold into the domestic market except at prices equal to at least 105 percent of the support price plus carrying charges. This restriction has worked to the disadvantage of both farmers and the Government by blocking sales that would clearly have been advantageous to both. I recommend legislation to permit, under proper safeguards, sales at not less than support levels plus carrying charges.

Present provisions of surplus-disposal legislation permit export dispositions of Government stocks to friendly nations only. Opportunities clearly to our interest may develop in the future to sell to countries excluded by this legislation. To enable us to realize on such opportunities I recommend repeal of section 304 of Public Law 480.

### 3. STRENGTHENING COMMODITY PROGRAMS

Our frontal attack on the problems of surpluses, diverted acres, unbalanced production, and unwise land use is carried in major part by the soil bank through the acreage reserve and the conservation reserve programs.

These proposals are wholly in keeping with the fundamental principles of sound farm policy set forth in my special agricultural message of 2 years ago. In keeping with these principles the administration—

(a) Whenever possible will continue to ease or eliminate controls over farmers; and

(b) For commodities on which price supports are discretionary, will continue to support these prices at the highest levels possible without accumulating new price-depressing surpluses.

In keeping with this latter principle, I am advised by the Secretary of Agriculture that, as a direct result of operation of various parts of our present farm program, the supply and demand conditions for



soybeans and flaxseed are now such as to warrant an increase in the price support levels for these crops in 1956. The higher support levels will be announced shortly.

In respect to other commodity programs I submit the following specific suggestions.

#### *A. Corn*

In recent years many farmers have chosen not to observe acreage allotments on corn. Considerably less than half of the 1955 crop was raised within acreage-allotment limitations and thus eligible for price support. It is apparent that price supports alone, even at levels closely approaching the legal maximum, are an insufficient inducement for participation in a corn-acreage-allotment program.

I recommend therefore that the Congress give serious consideration to adapting the acreage-reserve program to corn. One grave difficulty must be overcome. Unlike wheat and cotton, most of the corn crop is fed on the farms where it is produced. For this reason, marketing quotas such as are used on wheat and cotton are not feasible.

Thus, broad and effective participation by corn producers in an acreage-allotment program is imperative for the acreage-reserve program to achieve its objective of reducing the corn surplus. With broad and effective participation, in both programs, the acreage-reserve program for corn would—

(a) Reduce the carryover stocks which currently depress the market;

(b) Make possible a higher level of price support than would otherwise prevail for the 1956 crop; and

(c) Reduce the incentive to farmers to produce excessive supplies of hogs and fed cattle.

If the Congress should choose not to authorize the acreage-reserve program for corn, the Congress may wish to consider an alternative: to eliminate acreage allotments for corn and put price supports for corn on a discretionary basis comparable with the other feed grains. With no acreage allotments and with discretionary supports, all corn producers would be eligible for price supports at a level substantially above the market price which prevailed during the 1955 harvest.

#### *B. Wheat*

The problems of wheat are difficult and complex. The proposed soil bank, with its acreage-reserve program, will make a major contribution toward their solution. This program is particularly well-suited to wheat since this crop is grown in large acreage and is now burdened under an accumulated carryover in excess of a full year's needs. The conservation reserve program and the Great Plains program, described later, will also help. Other changes are necessary also, both for current adjustments and for long-term balance between production and consumption.

(a) Legislation already has passed the Senate and is pending in the House of Representatives which would exempt from marketing quotas those producers who use for feed, food, or seed on their own farms all the wheat they raise. Because of the failure to pass this legislation last year, the Department of Agriculture has been compelled by law to hail before the courts farmers whose only offense was to raise and feed wheat outside their quotas. Again the admin-

istration urges prompt enactment of this legislation. Correction of this problem should be delayed no longer.

(b) Historically a significant proportion of the annual wheat crop has been used for livestock feed. The quantity fed in pre-World War II years ranged from 100 million to 150 million bushels a year, about twice the quantity fed in more recent years. This reduced consumption has aggravated the surplus burden.

I recommend that the Congress give consideration to authorizing the annual sale for feeding purposes, at the discretion of the Secretary of Agriculture, of limited quantities of Commodity Credit Corporation wheat of less desirable milling quality. The authorized sale price should reflect the feeding value of the wheat, precautions being exercised as to the effect of such sales on prices of other feed grains. There are opportunities to use more wheat for feed in feed-deficient areas distant from the Corn Belt.

(c) I recommend legislation to expand the non-commercial-wheat area beyond the 12 States now so designated. This action would eliminate acreage and marketing controls for many farmers who characteristically feed on their own farms most of the wheat they raise, and who contribute little to commercial supplies or surplus stocks.

(d) I recommend extension for 1 year of legislation which exempts durum wheat from acreage and marketing controls. This type of wheat is in short supply and production should not be restricted.

We are participating in negotiations for possible renewal of the International Wheat Agreement, which will terminate July 1, 1956, unless it is renewed.

### *C. Cotton*

As in the case of wheat, the acreage-reserve program is especially well suited to cotton. This crop as well is burdened by an accumulated carryover in excess of a full year's requirements. Other legislative changes for cotton, in addition to the soil-bank program, that require consideration are these:

(a) For all crops except cotton, price-support legislation requires that parity prices shall be computed on the basis of the average grade and quality of the crop. For cotton a special provision of law designates Middling  $\frac{7}{8}$ -inch cotton as the standard grade for parity calculations and price support. Currently less than 5 percent of cotton production is of this grade or lower.

I urge an amendment to provide for cotton, as for other crops, that the average grade and quality of the crop be utilized for parity-price computations. This recommendation is, in general terms, in keeping with the intent of legislation already pending before the Senate.

(b) The shortcomings of acreage allotments as a means of controlling production on cotton are evident. In 1955, on an acreage allotment calculated to yield 10 million bales of cotton, nearly 15 million were harvested. Rapidly advancing technology is resulting in production far outrunning expectations based on acreage alone. This is especially true when prices are supported at wartime production incentive levels.

When production controls must be applied as a result of supply and market conditions, it is imperative to have controls that are effective. As surpluses are reduced through the proposed acreage-



reserve program of the soil bank and through other means, new accumulations of surplus must definitely be avoided.

For these reasons the Congress should consider replacing acreage allotments on cotton with quantity allotments beginning with the crop of 1957. The Congress could well consider similar action for other crops under marketing quotas.

#### *D. Rice*

Under the law, accumulated supplies of rice have required a 40 percent reduction in acreage for 1956 compared with 1954, and a decline in the support level to 75 percent of parity.

Rice production in this country is the most efficient in the world. However, our rice is rapidly being priced out of world markets and is being diverted into Government warehouses and even into the feed markets.

There are two alternative courses of action to which the Congress should give consideration:

1. Inclusion of rice in the acreage-reserve program. This will require continuation of production controls and marketing quotas.

2. Elimination of existing production and marketing controls on rice. Prices could then be supported on a discretionary basis at levels which would permit rice producers to improve their competitive market position.

If the Congress considers the latter course to serve the long-term best interest of rice producers, it may wish to consider use of the acreage-reserve program to make the transition.

#### *E. Peanuts*

The peanut-price-stabilization program has experienced serious difficulties stemming in part from a fixed national minimum peanut acreage. With improving technology this minimum acreage will normally produce more peanuts than the market will absorb at the support price. Consequently, I recommend elimination of provisions for the minimum national acreage allotment.

#### *F. Sugar*

The legislation to renew the Sugar Act of 1948, as amended, should promptly be completed. The Congress is aware of the need to give producers, as well as foreign suppliers and the entire sugar industry, as much advance notice as possible in planning their operations.

#### *G. Special school-milk program*

The special school-milk program provided for in the Agricultural Act of 1954 has met with gratifying success. Approximately 9 million children had the health benefits of this program last year, including children in some 7,000 schools in which milk was not previously served. Consumption was increased by over 450 million half pints of milk. This is a good example of constructive use of a surplus product to meet a present need. We thus contribute to better health habits and at the same time promote an enlarged market for the future. Several thousand additional schools are participating in the program in the current school year.

I have been advised that, in some States, milk program funds are nearing depletion. We must see to it that the program is carried forward intact through this fiscal year.

I recommend that the program be extended for 2 years beyond June 30, 1956, with authorization to use Commodity Credit Corporation funds increased from \$50 million a year to \$75 million.

#### *H. Livestock*

For livestock producers, many parts of the program I have already discussed have special significance.

Establishment of the soil bank will alleviate the undue stimulus to livestock production and the resulting downward pressure on livestock prices which arise from using for feed-grain production much of the acreage already diverted from wheat and cotton. Restrictions against grazing the soil bank acres will safeguard the interests of beef producers and dairymen.

Periodically livestock markets become glutted and prices disrupted. In such periods, where assistance will be constructive, timely and vigorous Government purchase and diversion programs are essential to bolster prices and help producers adjust to market demands. Such programs have been undertaken by this administration. The pork purchase program now in progress will shortly be stepped up to supply new and expanded outlets now being developed. Sales promotion and the development of better merchandising methods cooperatively with the livestock trade are part of this effort to meet the impact of heavy marketing.

Special programs of an emergency nature will be provided to help livestock producers as needed. For example, emergency credit and low-cost feed in the event of drought will be available whenever disaster strikes.

Increased research on nutrition, disease control, better breeding, more profitable use of byproducts and improved marketing will help lower production costs and facilitate the smooth flow of livestock products into consumption.

#### 4. DOLLAR LIMIT ON PRICE SUPPORTS

The average size of farms in American agriculture, as measured by capital or by acres, has rapidly increased. To the degree that this trend is associated with the development of more economic and more efficient farm units it is in the interest of farm families and of the Nation. To the degree, however, that it has resulted in the removal of risk for large farm businesses by reason of price supports, it is much less wholesome and constitutes a threat to the traditional family farm.

Under the price support machinery as it has been functioning, price support loans of tremendous size have occasionally occurred. It is not sound Government policy to underwrite at public expense such formidable competition with family operated farms, which are the bulwark of our agriculture.

I ask the Congress to consider placing a dollar limit on the size of price support loans to any one individual or farming unit. The limit should be sufficiently high to give full protection to efficiently operated family farms.

#### 5. RURAL DEVELOPMENT PROGRAM

In my message of January 11, 1954, I pointed out that the chief beneficiaries of our farm programs have been the 2 million larger, more-productive farm units. Production on nearly 3 million other farms



is so limited that the families thereon benefit only in small degree from the types of programs that heretofore have dominated our activities.

On April 26, 1955, I transmitted to the Congress recommendations of the Secretary of Agriculture for attacking the problems of low-income farm families. The Congress has met only in part these recommendations for legislation and appropriations. Despite the resultant handicaps, the interest in this program has been so great that pilot work is already underway in well over 30 counties widely spread throughout the United States. There is activity now in more than one-half of the States.

Four Departments of the Federal Government—Commerce, Labor, Health, Education, and Welfare, and Agriculture—are actively at work on this program with State and local leadership to aid low-income farm families.

Not only the welfare of these families but also of the people as a whole require that this program go forward. Once again, therefore, I urge the Congress to enact the full program recommended in my message of April 26, 1955.

#### 6. THE GREAT PLAINS PROGRAM

Between the prairies of the Central West and the Rock Mountains is a vast area embracing all or part of 10 States, in which erratic climate, wind and water erosion, and special problems of land use constitute a continuing hazard. For more than a year intensive new studies of conditions and problems peculiar to this Great Plains region have been in progress. The work has been carried on cooperatively between the leadership of the 10 States involved, the Department of Agriculture, and the Great Plains Council, which includes technical people from the States of the region. This study will help to define the respective responsibilities of individuals and local, State, and Federal agencies.

The proposed soil bank, with its acreage-reserve program to reduce promptly production of crops in surplus and with its conservation-reserve program to take less productive lands out of crops, will meet in part some of the conditions especially serious in the Great Plains. Other desirable modifications of existing legislation include—

1. Provision for long-time cost-sharing commitments under the agricultural conservation program; and
2. Relaxation of planting requirements to maintain base acreage for wheat allotments.

Shortly I will transmit to the Congress a report containing certain recommendations for providing a more stable agriculture in this important region.

#### 7. RESEARCH

Scientific research has been the means of fundamentally important developments both in agriculture and industry. It has resulted in improved quality, new and better techniques, new products, new markets, new high levels of material well-being for our people, and new horizons for our future. Most individual farmers are not in a position to carry on scientific investigations. Government has special responsibility in this area—and particularly is this the case since the

benefits of research related to agriculture are widely shared by all the people.

Not only can research provide for the material needs of future generations, but it also can contribute in many ways to the fuller utilization of our present abundance.

We must look for new uses of agricultural products that can contribute to human welfare, such as livestock byproducts for medicinal purposes or such as coarse fibers for construction materials already have contributed.

We must find new markets, as we have for tallow in industry or as have followed upon the development of frozen and powdered juice concentrates.

We must find new crops offering such new opportunities and benefits as are exemplified by soybeans and sorghums.

We must further improve our marketing mechanism, as already has been done through refrigeration and new processing techniques, so that the benefits of our abundance may be still more widely distributed. Marketing margins have continued to increase, even while farm prices have been declining. Thus the farmer's share of the retail food dollar has shrunk appreciably. Retail prices have changed little, thereby impeding desired increases in consumption. We must find ways to lower costs of food distribution. Research is an effective way to help attain that important goal. The Secretary of Agriculture is actively engaged in an expanded inquiry directed toward reducing the costs of distribution.

Our basic scientific knowledge from which all practical applications of science are made is vitally important and must be expanded. This knowledge is essential also to continue the attack on the ravages of plant and animal pests and diseases. We cannot use or reap benefits from what we do not know. A major frontier of agriculture lies in our laboratories and experimental fields.

In the budget message I will request the maximum increase in agricultural research funds that can be effectively used next year with the technical manpower and facilities available. This will be an increase of one-fourth, to a total of \$103 million.

#### 8. CREDIT

In making the transition from war to peace, and similarly in making the investment adjustments associated with a dynamic agriculture, farmers are experiencing increased need for credit. This is especially true for young men, particularly veterans, who have started farming in recent years.

Private financial institutions, individuals, and Government agencies are furnishing credit for agriculture. Administrative, budgetary, and legislative changes now being developed in Government all point toward assuring adequate and sympathetic coverage of agricultural credit requirements which cannot be met by private financial institutions.

Loans made by the Farmers' Home Administration have increased gradually during the past 4 years from \$212 million to well over \$300



million, and can increase further as the new provisions for insured loans become more widely used.

The Farm Credit Administration has been reorganized to give farmers a greater voice in its operation. Further legislation will be proposed to combine the production credit corporations and the Federal intermediate credit banks. Federal land-bank loans made by the Farm Credit Administration have increased from \$237 million 4 years ago to more than \$400 million last year.

The administration is determined to see to it that an adequate supply of credit remains readily available to our farmers at all times.

#### 9. GASOLINE TAX

One of the farmer's operating costs is the Federal tax on gasoline. About one-half of the gasoline bought by farmers is used on the farm. I recommend that legislation be passed to relieve the farmer of the Federal tax on purchases of gasoline so used.

Historically agricultural policy in this country has sought to foster family-sized owner-operated farms. This has been a sound and wise policy—not only in the development of an efficient agriculture which has become the envy of the world, but also in fostering a sturdy, resourceful, self-reliant citizenry.

Farm organization and farming operations are undergoing profound change as science and technology rapidly alter the structure of agriculture. Great care must be exercised that these changes do not result in huge corporation farms on the one hand or in unrewarding subsistence units on the other. The time-proven commercial family farm must continue as the basic social and economic unit of agriculture. Accordingly farm policy must encourage such farms, sufficiently large and productive to provide satisfactions in farm living equal to those enjoyed by other Americans.

Insofar as the problems of agriculture can best be solved by Government action, Government should accept the responsibility.

The proper role of Government, however, is that of partner with the farmer—never his master. By every possible means we must develop and promote that partnership—to the end that agriculture may continue to be a sound, enduring foundation for our economy, and that farm living may be a profitable and satisfying experience.

Assisted by experienced farm people both in and out of Government, I have been earnestly studying this problem for many months. I believe that the nine-point program, set forth in this message, building on our present program, meets the urgent needs of our farmers today and does so in a way consistent with our basic traditions. It offers no nostrums or panaceas. Our farm folk expect better of us than to deal in that kind of specious practice.

Farmers expect programs that are forward-looking, economically sound and fair.

This program offers a workable approach to reducing the surpluses, bringing production and markets into balance at fair prices, and so raising the income and advancing the security of our farm families.

Should this program be enacted, its degree of success will be dependent upon the degree of farmer participation and upon a common determination to work together in ridding ourselves of burdensome

surpluses. With such a spirit, this program will speed the transition to a stable, prosperous, and free peacetime agriculture with a bright future.

Again I urge upon the Congress the need for swift legislative action on these recommendations, in the interest of our farm people, in the interest of every American citizen.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *January 9, 1956.*





heart of some of the recommendations with reference to stiffer penalties and greater authority which should be given to the narcotics agents of the Bureau, so that they can do even a better job than they have been able to do up to the present moment in trying to stamp out the nefarious narcotics traffic which is plaguing the country today.

Again I wish to pay highest commendation to a very distinguished Senator, the chairman of the subcommittee, for the outstanding work he has carried on in behalf of the Senate.

Mr. DANIEL. I sincerely thank for his kind remarks the Senator from Maine, and for having been among those who first interested me in this matter by the introduction of his bill early last year.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANIEL. I yield to the Senator from Wisconsin.

Mr. WILEY. I am very happy to join Senators who have paid compliments to the junior Senator from Texas [Mr. DANIEL] for his fine work. I am glad he chose to carry on the work started some years ago. Probably the worst thing in the world is a bad idea; the next worse thing is drugs. I am glad to have an opportunity to compliment him for his fine work.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield?

Mr. DANIEL. I yield, Mr. President. After that I shall yield the floor.

Mr. MANSFIELD. I wish to join my colleagues in commending the distinguished junior Senator from Texas for the fine work which he has done in investigating the narcotics problem as it affects our own people. I think he is to be commended, not so much for spending so little money, not so much for getting the job done before the time for his committee's work expired, but for the effective manner in which he has brought to our attention recommendations which should be enacted if the insidious problem of narcotics misuse is to be solved.

I should like to ask the distinguished Senator from Texas a few questions. Can the Senator tell the Senate how many members comprise the personnel of the Federal Bureau of Narcotics?

Mr. DANIEL. Of the entire Federal Bureau of Narcotics?

Mr. MANSFIELD. Yes.

Mr. DANIEL. About 252. That is less than the narcotic agents employed by the city of New York.

Mr. MANSFIELD. The Senator was anticipating my next question. How many agents are on the narcotics squad of the city of New York?

Mr. DANIEL. About 300.

Mr. MANSFIELD. How many does the city of Los Angeles use?

Mr. DANIEL. Los Angeles has more than 100, but I do not remember the exact number.

Mr. MANSFIELD. How many narcotics agents does the Government have overseas?

Mr. DANIEL. The Narcotics Bureau has five narcotics agents overseas. There is 1 part-time man in Mexico and

3 customs agents in the Far East. That makes a total of eight.

Mr. MANSFIELD. The Senator has stated that the sources from which heroin is derived are Lebanon, Turkey, Red China, and Mexico. Is that correct?

Mr. DANIEL. Those are the main sources.

Mr. MANSFIELD. Yet this Government has only a total of 5 agents overseas to try to tap these sources?

Mr. DANIEL. There is a total of eight who are doing either full-time or part-time work in that field.

Mr. MANSFIELD. And the Federal Government has a considerably lesser number in its entire Federal Bureau to deal with the problem than has the city of New York alone.

Mr. DANIEL. That is correct.

Mr. MANSFIELD. I hope the Senator in his recommendations will see to it that the moderate advance which he proposes for increasing personnel will be extended somewhat, so Mr. Anslinger's Bureau, which has such a terrific responsibility, will be enabled better to perform its duties, which will inure to the benefit of all. I thank him again for having served his country so well.

Mr. DANIEL. I thank the Senator from Montana. I especially appreciate the valuable information which he supplied to the committee as a result of his trip to the Far East.

Mr. GORE. Mr. President, will the Senator from Texas yield?

Mr. DANIEL. I yield to the junior Senator from Tennessee.

Mr. GORE. I know the Senator from Texas does not want to prolong the debate, but I wish to compliment him for his speech. I am impressed by his fine record and by his recommendations, and am ready to stand shoulder to shoulder with him at the wheel.

Mr. DANIEL. I thank the junior Senator from Tennessee for his compliments.

Mr. President, I yield the floor.

[From the Washington Post and Times Herald of January 8, 1956]

#### EXHIBIT A

TWO-HUNDRED-DOLLAR-A-DAY SHOPLIFTING FOR DOPE CHARGED TO THREE—SUSPECT ARRESTED IN WRECKED POST OFFICE

Three men who told Prince Georges County police they used proceeds of a \$200-a-day shoplifting operation to buy narcotics were jailed yesterday on larceny charges.

One of the men, William Blakey, 25, listed at 247 14th Street SE., was booked on an additional charge of possessing narcotics paraphernalia.

The other two were identified as Herbert C. Dickerson, 24, of 1233 Morse Street NE., and Anderson Jones, 25, of 2542 13th Street NW.

All three men were jailed in lieu of \$500 bond each, Prince Georges County police said, and an additional bond of \$2,000 was set for Blakey on the narcotics charge.

The trio was rounded up after Bladensburg police Pvt. Frank E. Thombs spotted the men getting into their car with a portable record player taken from a nearby Drug Fair at 4920 Annapolis Road about 5:30 p. m. Friday.

Thombs gave chase and the fleeing suspects sideswiped one automobile and crashed head on into a second. They then dashed into a wooded area in the 4300 block of Edmonston Road.

Prince Georges Pvt. Yorke Flynn Jr., arrested Dickerson near the crash scene after about 15 policemen searched the area for an hour. Blakey was arrested when he walked into the Hyattsville police station about 3 a. m. and reported his car stolen.

Jones was picked up by the District narcotics squad yesterday and turned over to Prince Georges police. Detective Sgt. Emmett F. Gray said he found several needles and a capsule of narcotics in Blakey's car.

Gray reported that all three men told police they took \$12 in cash from washing machines in Chillum, Md., area apartments on Friday. Gray added that the men told police their daily "take" from shoplifting and washing machine coin box thefts amounted to about \$200 a day.

Gray said Dickerson told him he had been using narcotics since 1946 and had a \$25-a-day habit. Hearings for all three suspects were set for 9:30 a. m. Monday in Hyattsville Police Court.

A man found lying unconscious and bleeding on the table of a Georgetown branch post office, amid a shambles of upturned ink bottles, scattered letters and packages, was charged with housebreaking yesterday.

Held at District Jail was James A. Warren, 28, who told police he lived at 2324 G Street NW.

Police reported that Warren was found about 5 a. m. in the branch post office at 1215 31st Street NW., by Philip C. Randall, of 737 Rock Creek Church Road, NW.

Randall called police after he noticed the front door glass had been smashed, looked in and saw Warren stretched out on a table with the branch office in complete disorder, police said.

Warren, who came out fighting when he was awakened, was taken to District General Hospital and treated for superficial cuts about the body, police reported.

Police said Warren denied ever being in the postoffice branch and couldn't say where he had been for the previous 24 hours.

Three empty 5-gallon milk cans found inside the post office apparently had been thrown through the glass door, police said. They added that several spots of blood were found inside along with broken fluorescent lighting, pens broken in two, mail racks tipped over.

Nothing was reported missing after a checkup, police said. A municipal court hearing on the housebreaking charge was set for Thursday.

#### EXHIBIT B

[From the Boston American of January 3, 1956]

#### JUDGE WYZANSKI'S VIEWS ON DRUGS

United States Judge Charles E. Wyzanski recently expressed and demonstrated his philosophy with respect to drugs and drug peddlers.

It seems to us to be a strange one and, emanating from the bench, perhaps a dangerous one. At least it deserves examination.

At a session of his court in Boston, four members of the underworld stood before him for sentence. They were confessed dealers in heroin, and were described by the United States attorney as bigtime operators representing the most important arrests made by the Bureau of Narcotics here in 10 years.

Turning down a Government plea for stiff sentences, Judge Wyzanski said:

"While I in no sense look upon this as a trivial offense, it is to me exactly like a bootlegging case, except it happens to be in drugs instead of in liquor, and I have no more moral view with respect to drugs than with respect to liquor.

"I am required to follow an act of Congress, and that act of Congress I intend to follow; but I don't think you need suppose



I have a particular animus with respect to the topic."

He then sent 3 of the defendants to the penitentiary for the minimum prison term of 2 years provided by the act of Congress to which he referred. The fourth, the ring-leader, he sent away for 3 years.

All of the defendants were guilty of crimes for which they could have been sentenced to long terms in prison.

The Government had asked a sentence of 10 years in 1 case, 5 in another, 3 in the other 2, pointing out that the dope evil diminishes when heavy sentences are imposed.

These beneficiaries of Judge Wyzanski's attitude were no neophytes in crime. One was on bail on appeal from a sentence imposed in the State court for conspiracy in a drug case. He had a long record of arrests and was an associate of Harvey "Mad Dog" Bistany and bank robber Teddy Green, now an inmate of Alcatraz.

Another was an ex-convict who had served State prison sentences for burglary, safe-breaking, and other crimes including carnal abuse of a child.

Another had convictions for larceny, beating up a cop, conspiracy, and other crimes.

The fourth also had a record of arrests on various charges, including a pending case of assault with intent to kill.

Their arrest was described to the court as the most important of 27 made by Federal agents after a 14-month investigation costing thousands of dollars. Less important defendants had earlier received much longer sentences at a session of court presided over by another judge.

Engaged in a traffic which is the source of the deepest possible human degradation, this quartet, it seems to us, got off far too lightly.

A philosophy which places heroin and liquor—dope peddling and bootlegging—in the same category does not reflect the attitude the American people have expressed through acts of Congress and the legislatures of the States.

The manufacture, sale, and use of liquor is legal in all except two States, and Federal taxes collected on it are one source of the Government income from which Judge Wyzanski's salary is paid.

The importation and manufacture of heroin were outlawed by Congress in 1922. As the cause of devastating human misery, it has since been banned by every nation in the world but five.

Congress established a minimum jail sentence of 2 years for a first offense of dealing in heroin. Under title 26, section 5691 of the United States Code, Congress set a maximum sentence of 2 years for 1 offense of bootlegging.

Congress, at least, demonstrated a particular animus on the topic of heroin.

Judge Wyzanski's expressed concept of the respective problems embraces a dangerous philosophy if it leads drug peddlers to increase their activities in expectation of minimum sentences in the courts in the event they are caught.

It will give no aid to the morale of those who are working hard, long, and often dangerously to wipe out the evil of drug traffic and the horror of drug addiction.

#### THE ADMINISTRATION'S AGRICULTURAL PROGRAM — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 285)

The PRESIDING OFFICER (Mr. McNAMARA in the chair) laid before the Senate the following message from the President of the United States, which was read, and referred to the Committee on Agriculture and Forestry.

(For President's message, see House proceedings of today.)

#### THE PRESIDENT'S MESSAGE ON AGRICULTURE

Mr. ELLENDER. Mr. President, so far as I can see, the recommendations in the President's agricultural message as a whole differ from most of the proposals made to the Committee on Agriculture and Forestry only in their order of importance. The message contains nothing new. I am glad to note that the administration has come to a realization of the fact that our farmers as a whole are in bad shape. If the hearings which were held last fall by the Senate Agriculture Committee did nothing more than point up the problems facing our agriculture, they were not held in vain.

The President has placed much emphasis on the soil bank proposal. Evidently he would make participation in the soil bank voluntary.

Unless the incentives in both the acreage and conservation reserves are large enough, I doubt that enough farmers will agree to withdraw from production sufficient acres to appreciably diminish our surpluses, as outlined by the President.

I believe the soil bank would be more effective if price-support benefits were conditioned upon the compliance of farmers with its acreage-reserve features.

The President has also recommended a dollar limit on price supports. This has been proposed many times; and, so far, no adequate formula has been devised. It strikes me that instead of placing a limitation on the gross amount paid to any one farmer or farming unit, payments should be made on a graduated basis, with price-support levels decreasing as production increases.

Discretionary price supports for rice are also included among the President's recommendations. It is my hope that a two-price system for rice can be tried. The rice industry wants a two-price plan; and if it is workable, it would be preferable to a discretionary support program.

I agree with President Eisenhower that production of quality commodities should be encouraged. However, I would favor offering greater incentives in order to achieve this goal. Instead, price supports on readily salable commodities should be "flexed" upward from 90 percent of parity. On the other hand, in order to discourage production of poor-quality products, support levels should be "flexed" downward from 90 percent of parity to, say, a minimum of 50 percent.

Mr. MUNDT. Mr. President, the President's farm message to Congress presents bold, positive, and constructive new changes in our overall farm program. It gives bright hopes for a better future for our American farmers.

The soil-bank proposal should receive unanimous support of the Congress. The two doors leading into the soil-bank program will permit us to move forward to an era of substantially improved net income for our farmers and a restoration of the improved price relationships existing when the laws of supply and demand

are not impeded by unmanageable stores of agricultural surpluses.

The two approaches to the soil-bank program provide, first, a comparatively brief program of sharply reduced surpluses of stipulated basic crops by providing financial incentives for our farmers to voluntarily reduce the planting of allotted acres; and, second, the comparatively longer program of improving land use for storing moisture and soil fertility to meet the ultimate needs of our rapidly growing population for any emergency calling for expanded production.

For any farm program to operate effectively, we must attack vigorously and successfully the problem of unmanageable surpluses.

The suggestion for storing fertility right in the soil to be released when needed, and reimbursing cooperating farmers by utilizing existing surpluses to prevent production of new surpluses is based on commonsense and sound public policy. It will also serve to extend the benefits of the Government program to other crops and to livestock producers.

The double-barrel approach to the soil-bank program contains the following constructive features:

First. It will help balance agricultural production with effective market demand correspondingly higher prices for American farmers. Overall production will be decreased for several years.

Second. Fertility and subsoil moisture would be stored in the ground. The emphasis on conservation protects the great basic resource of this country—namely, our precious topsoil.

Third. The program expands the benefits of a Government farm program to producers of nonbasic crops and of livestock.

Fourth. It will facilitate a sharp reduction in the Government's inventory of certain surplus commodities.

Fifth. It provides—without additional costs to the farmers—rich benefits in the form of crop insurance, since payments received by cooperating farmers will be made to them in seasons of short crops and droughts as well as seasons of bountiful harvest.

The fact that this program is a voluntary one should be kept in mind. Each producer will have an opportunity to decide for himself how he can best fit his farming operations into the program. Undoubtedly, not all farmers will decide to sign up. It is important, therefore, that Congress include enough incentives and that there be wise administration in order to attain a high degree of participation. In the words "wise administration" I would protect the rights of tenants. The landlord-tenant relationships are varied in the many parts of this great country. Handling this can best be achieved by neighbors operating through farmer selected committees who understand the local situations. Likewise, these local groups can best meet the problem of providing equitable payments for the retirement of acreage. Productivity and value of soil varies farm by farm and area by area. We must be sure that the payments to cooperatives are equitable between farms and between areas. I am confident that this



program can be administered in a practicable and equitable manner and that it will utilize to the practicable maximum the existing local committee system.

Payments will represent a fair annual return on the value of the acreage under the conservation reserve contract. The value of the land can be appraised on the basis of standards which would include its value and the production of crops customarily grown and these annual payments should be at a level so that sufficient acreage is signed up voluntarily to accomplish the objectives of the program.

The President's special message presents a comprehensive approach to the farm problem. It definitely is not a piecemeal farm program. It proposes to attack the major problems directly, using specific solutions to meet specific problems. Combined with the important information and counsel received by our Senate Agricultural Committee during the extensive hearings held this summer and secured at the grassroots level, the President's message should provide a practical vehicle for evolving a new farm program which will bring a brighter day and more profitable tomorrow for our farmers, our ranchers, and the general public. I am hopeful that an honest bipartisan consideration of the acute and actual needs of our farm population will produce a continuing farm program which will bring to America's farmers that equitable portion of the national income to which they are entitled and which they richly deserve. Prompt affirmative action is required.

Mr. AIKEN. Mr. President, the President's agricultural message marks a determined approach to the problems of American farms.

Plagued by surpluses accumulated under a wartime program carried on too long, it has become necessary to reduce that surplus to manageable reserves through vigorous and, to a certain extent, untried measures.

The reduction of surpluses, however, is only one result of the measures which President Eisenhower proposes.

The immediate effect of bringing supplies more into line with requirements should be to narrow the wide gap now existing between farmer and consumer prices, to raise prices of many commodities, and to generally improve farm income.

Of even greater long-range importance, however, is the effect on the future productivity of the Nation's agriculture.

Our population is increasing rapidly. Every 5 years the increase is equivalent to the present total population of the State of New York.

The time is not far distant when our farmers will have to produce far more than the bountiful crops of today in order to feed and clothe our own people,

Therefore, it is singularly appropriate that the price-depressing surpluses of today be made to work to the fullest extent to insure a bountiful production for tomorrow.

The President strongly recommends the establishment of a soil bank. The term "soil bank" will not have the same

connotation to all people. To some, it may mean reforesting denuded acres; to others, it may apply to the conservation of water; to others, it could mean increasing facilities for recreation or wildlife purposes, and to those in the Great Plains area it can mean shelter belts and the reseeding of millions of acres which never should have been plowed, thus lessening the danger of dust storms and increasing the grazing facilities of the future.

It is entirely possible that the temporary problem posed by our price-depressing surpluses may trigger the greatest conservation program of all time.

Take the proposals of President Eisenhower in his message today, add the Watershed Act and the Water Facilities Act of 1954, add still further the incentives for conservation offered in the Tax Act of 1954 and you have the most extensive program of all time for the improvement and protection of our natural resources.

Of virtually equal importance with the President's proposals to turn our short-term liabilities into long-term assets is his insistence that immediate and effective attention be paid to the plight of over a million farm families now living under conditions which should have been corrected long ago.

It is my understanding that with the very limited means available many of these low-income farm families have been given greater hope for the future during the past few months.

We cannot assume that a farm family is "no good" just because it lives under conditions approaching destitution.

I well remember the days before the county agent and the Extension Service when many of our prosperous farmers of today were living under just about the same standards as those people with whom the President is now so much concerned.

Congress has a duty to give the President better tools with which to help low-income farm families without delay.

The third proposal of extreme importance lies in the President's recommendation to increase our research programs one-third.

Although an increase in farm prices from present levels is highly important, it is also important that we do not price farm commodities out of the market or impose unwarranted hardships upon the consuming public.

Whenever possible, we must reduce the costs of farm production and marketing.

The Tax Act of 1954 granted to farmers substantial tax benefits which they had not previously been privileged to enjoy. In fact, these new tax benefits have the effect of making net farm income look much worse than it really is or would have looked under criteria prevailing previous to 1954.

The President now proposes to relieve the farmer of the Federal tax on gasoline used on the farm. I understand this may amount to \$60 million a year. This amount may seem small in the overall program, but it is, nevertheless, a welcome contribution. Repeal of this

tax will remove an injustice which the farmer has borne for years.

The greatest influence toward lower costs and higher net income for farmers is undoubtedly found in the research programs far which the President asks a great expansion.

The technical advancements of just the last few years have been little short of miraculous.

Paradoxically, it has been inability of many farmers to keep up with technical developments designed for their benefit that has put them in a rather critical squeeze.

It is my understanding that considerable research is planned in the field of distribution aimed at reducing the spread between farm and consumer prices. It is important that this be done.

We must remember, however, that historically the spread widens with an increase in surplus and narrows as supplies are brought closer in line with the overall demand.

In addition to the soil bank conservation program, the rural development program, and the research program, the President has made other recommendations with which many can agree.

The increased school milk program, the farm credit recommendations and the proposal to step up the search for foreign markets should all make valuable contributions to a more virile and prosperous agriculture.

The President's statement that the degree of success is highly dependent upon the wholehearted participation by farmers themselves is as true as any statement can be.

There is one more comment I wish to make at this time.

The President's recommendations, if agreed to by the Congress, cannot help but return to the farmer a more equitable share of the Nation's unprecedented prosperity.

They are certain to make a mighty contribution to the long range conservation programs of our country.

It is important, however, since some of these recommendations apply to the present crop year, that legislation be enacted without delay.

Therefore, I join with the chairman of the Senate Agriculture and Forestry Committee in hoping that we may have a satisfactory bill on the President's desk by February 15, or at least an early date.

If we can do this, we will have done a good job.

Mr. HICKENLOOPER. Mr. President, following the outstanding message on the agricultural situation, submitted to us today by the President of the United States, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the statement which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR HICKENLOOPER

The message of President Eisenhower on the agricultural situation and the remedies is comprehensive, constructive and hopeful. It shows a complete grasp of the fundamentals and a bold program and deter-



mination to solve the problems involved with speed and dispatch.

His program, in short, proposes a workable plan for reduction of surpluses, for the vigorous promotion of conservation, for the protection of the family-type farm, the stabilization of the farm economy with an equitable portion of the national income going to the farmer, and above all it emphasizes the maintenance of the freedom and self-determination of the farmer.

The program will require the expenditure of a substantial amount of money by the Government at the outset, but with the voluntary and vigorous cooperation of the farmers themselves, it will greatly increase their purchasing power and income and contribute immeasurably to the farmers' prosperity and that of the Nation.

The many details of the program will be immediately taken under consideration by the Agriculture Committees, and I believe that the President's program, in general, will receive overwhelming support.

The President's program will, if put into effect, provide immediate income for farmers while the long-range parts of it are swinging into operation, and I am certain that farmers will study the proposals with great interest and I believe with general approval.

#### VISIT TO THE SENATE BY TOMMY WOODWARD

Mr. CASE of South Dakota obtained the floor.

Mr. BEALL. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. BEALL. Mr. President, we have a very distinguished constituent of mine from Maryland in the gallery. His name is Tommy Woodward.

Tommy Woodward, will you stand up?

[The visitor rose and was greeted with applause.]

Mr. BEALL. Mr. President, Tommy presently is a patient in one of Maryland's orthopedic hospitals. He is 5 years old. He is recovering from infantile paralysis. I know from my own experience what a fine job he is about to do. I am a director for the Maryland Society for Crippled Children and Adults, and I was on the polio board of my own county. This month Tommy will travel all over the United States, visiting every State in the Union and demonstrating the excellent results now being obtained in rehabilitating victims of polio. We recognize that Tommy, who is only 5 years old, has quite a job ahead of him, and I know we all wish him well. [Applause.]

Mr. CASE of South Dakota. Mr. President, it was certainly a pleasure to yield to the Senator from Maryland for such a greeting as that. We are pleased to have this fine boy here.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield briefly to me?

Mr. CASE of South Dakota. I yield.

#### LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT TO THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I should like to announce that it is not the plan of the leadership to call up any proposed legislation today. Because of

the weather, it is hoped that we may adjourn at an early hour, so that the Members of the Senate and the members of the staff and other employees may be able to return to their homes.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Thursday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I desire to announce that on Thursday next, I expect to ask consent that the Senate proceed to consider Calendar No. 1210, House bill 2889, transferring four-fifths of an acre of Federal land to Necedah, Wis.; Calendar No. 1296, House bill 6857, transferring four-tenths of an acre of Federal land to the city of Milwaukee, Wis.; Calendar No. 1175, Senate bill 2286, authorizing the shipment of private passenger vehicles in commercial vessels for military and civilian defense personnel traveling overseas on permanent orders; Calendar No. 361, Senate bill 51, amending Public Law 280, 83d Congress, to provide that State jurisdiction over certain matters arising on Indian reservations shall apply only with the consent of the Indian tribes affected; Calendar No. 1184, Senate Joint Resolution 97, increasing the authorized ceilings for United States contributions to the Food and Agriculture Organization and International Labor Organization of the United Nations; and, in addition, Senate Concurrent Resolution 59, to request the President to designate a Junior Achievement Week; and House Concurrent Resolution 199, to commemorate the 200th anniversary of the birth of Benjamin Franklin—both of which were reported today from the Judiciary Committee.

I do not know that we shall proceed to consider those measures in the order listed, but I hope we shall be able to consider them and to act on all of them on Thursday. If we are able to do so, we may be able to have the Senate adjourn over to Monday. If not, we shall probably have a Friday session.

It is not the intention of the leadership to call up the gas bill this week; but early next week, probably on Monday, I do plan to move that the Senate proceed to the consideration of the gas bill.

#### ADMINISTRATION'S AGRICULTURAL PROGRAM

Mr. CASE of South Dakota. Mr. President, President Eisenhower's special message on agriculture presents one of the boldest and most realistic farm programs ever to come to Congress from the White House. Some phases will require study, and details will have to be spelled out; but on many points the specific steps recommended will mean direct and visible benefits to the farm homes of America. Let me enumerate some of them.

First, I mention the President's point No. 9; namely, the recommendation to relieve the farmer of the Federal tax on purchases of gasoline used on the farm, for farm purposes. The 2-cents-a-gallon Federal tax on farm gasoline is a

direct and visible burden in the current cost-price squeeze, and is an unjust burden if the proceeds are to be spent primarily on interstate highways. This is an injustice which I have cited many times during the hearings of the Committee on Public Works, in connection with its consideration of highway legislation.

Mr. President, a practical and simple way to handle the matter is provided in Senate bill 1360, which I introduced in the Senate on March 8, 1955. In keeping with the President's specific and positive recommendation on this point, I now urge that the Senate Committee on Finance incorporate the provisions of my bill, S. 1360, in the first piece of revenue legislation it considers at this session.

I ask unanimous consent that the text of Senate bill 1360 be printed at this point in the RECORD.

There being no objection, the bill (S. 1360) to amend the Internal Revenue Code of 1954 so as to provide for refunds to farmers of the amounts of tax paid on gasoline used by them in farming operations was ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That (a) subchapter B of chapter 65 of the Internal Revenue Code of 1954 (relating to special rules applicable to abateements, credits, and refunds) is hereby amended by renumbering section 6420 as section 6421 and by inserting after section 6419 a new section as follows:

"SEC. 6420. Gasoline.

"(a) Use in farming: Upon the use, after the date of the enactment of this section, of gasoline in farm tractors or farm machinery or for other agricultural purposes by any person engaged in farming, the Secretary or his delegate shall pay to such person the amount of any tax paid under section 4081 with respect to such gasoline.

"(b) Cooperation with the States: Payments under subsection (a) shall be made pursuant to such rules and regulations as the Secretary or his delegate may prescribe. The Secretary or his delegate is authorized to enter into an agreement with any State which has a law authorizing payments or refunds, under conditions similar to those specified by subsection (a), of the amount of tax on gasoline imposed by such State whereby the Secretary or his delegate and the State may cooperate and exchange information with respect to payments under subsection (a) and payments or refunds under the State law."

"(b) The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1954 is hereby amended by striking out "SEC. 6420. Cross references.", and inserting in lieu thereof the following:

"SEC. 6420. Gasoline.

"SEC. 6421. Cross references."

Sec. 2. (a) Subpart A of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to the manufacturers' excise tax on gasoline) is hereby amended by adding at the end thereof a new section as follows:

"SEC. 4084. Cross reference.

"For payment to farmers of the amount of tax imposed under section 4081 on gasoline used in farming, see section 6420."

(b) The table of sections for such subpart is hereby amended by adding at the end thereof the following:

"SEC. 4084. Cross reference."

Mr. CASE of South Dakota. Mr. President, next, among the direct benefits for farm income, I would cite the President's proposal to modify the 1949 law which



# House of Representatives

MONDAY, JANUARY 9, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, by Thy grace we have entered upon a new week affording us many opportunities to share in the glorious task of preserving and perpetuating our freedoms.

Grant that the heart and hands of our Nation, which have always been brave and strong in times of war, may be even more courageous and stronger in building a temple of peace whose foundation can never be destroyed.

In all our adventures and endeavors may we not look for the trophies and tributes which our fellow men may bestow upon us, but inspire us to prove worthy of someday receiving the crown of righteousness and the diadem of Thy praise.

May the great patriotic motive, which shall animate the plans and purposes of the Members of Congress, be that of serving their generation according to Thy holy will.

In Christ's name we offer our prayer. Amen.

## THE JOURNAL

The Journal of the proceedings of Thursday, January 5, 1956, was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had adopted the following resolutions:

### Senate Resolution 157

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. VERA BUCHANAN, late a Representative from the State of Pennsylvania.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

### Senate Resolution 158

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN D. DINGELL, late a Representative from the State of Michigan.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 56-4.

The message also announced that the Vice President appointed the Senator from Alabama, Mr. HILL, the Senator from Oregon, Mr. MORSE, and the Senator from Michigan, Mr. POTTER, members on the part of the Senate of the Board of Visitors to the United States Military Academy for the year 1956.

## AGRICULTURAL PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 285)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

### To the Congress of the United States:

In this session no problem before the Congress demands more urgent attention than the paradox facing our farm families. Although agriculture is our basic industry, they find their prices and incomes depressed amid the Nation's greatest prosperity. For 5 years, their economy has declined. Unless corrected, these economic reversals are a direct threat to the well-being of all our people.

But more than prices and incomes are involved. In America, agriculture is more than an industry; it is a way of life. Throughout our history, the family farm has given strength and vitality to our entire social order. We must keep it healthy and vigorous.

Efforts toward this goal have been unrelenting. Many new foundations of permanent value to all farm families have been laid in the past 3 years. Two years ago a new farm law was enacted, designed to gear agricultural production incentives to potential markets, thereby giving promise to our farm people of a stable and dependable future once the wartime inheritance of surpluses is removed from the farm economy. Loan programs have been substantially improved, enabling many more farmers to acquire family-sized farms and to improve their farms and homes. The benefits of social-security protection have been extended to farm families. The re-

turn of the Farm Credit Administration to farmer control; expansion of soil conservation assistance and rural electrification and telephone programs; increased funds for research and extension work; initiation of new programs to aid low-income farm families; adoption of tax provisions of benefit to farm people; increased storage facilities; upstream soil conservation programs; greatly expanded disposal activities for surplus farm products; strengthening our Department of Agriculture representation overseas in the interest of expanded markets—these and other advances have permanently reinforced the foundations of all agriculture.

Yet, beneficial though these advances are, persistent and critical farm problems require prompt congressional action in this session.

Remedies for these problems demand a clear understanding of their principal causes. These are:

First, production and market distortions, the result of wartime production incentives too long continued;

Second, current record livestock production and near-record crop harvests piled on top of previously accumulated carryovers;

Third, rising costs and high capital requirements.

In short, we have an oversupply of commodities which drives down prices as mounting costs force up from below. Thus is generated a severe price-cost squeeze from which our farm people, with the help of government, must be relieved.

We must free the farm economy from distortions rooted in wartime needs and thus enable our people in agriculture to achieve prosperity; in so doing they will help carry the Nation's prosperity to still greater heights. The administration and the Congress must move together to achieve this goal.

The requirements are clear. New means are needed to reduce surpluses and to widen markets. Costs must be cut and production must be better balanced with prospective needs.

### THE MAIN PROBLEM: THE SURPLUS

Of the many difficulties that aggravate the farm problem, mountainous surpluses overshadow everything else. Today's surpluses consist of commodities produced in a volume imperatively needed in wartime but unmarketable in peacetime at the same prices and in the same quantity.

The plain fact is that wartime production incentives were too long continued.

During the past 3 years, there has been no lack of effort to get rid of surplus stocks. Disposal efforts have been diligent and vigorous. Vast quantities



have been moved—much of them given away. In the past 3 years we have found outlets for commodities in a value of more than \$4 billion—far more than in any comparable period in recent history.

But these disposal efforts have not been able to keep pace with the problem. For each bushel-equivalent sold, 1½ have replaced it in the stockpiles. Farmers, the intended beneficiaries of the support program, today find themselves in ever-growing danger from the mounting accumulations. Were it not for the Government's bulging stocks, farmers would be getting far more for their products today.

Other consequences of past-farm programs have been no less damaging. Both at home and abroad, markets have been lost. Foreign farm production has been increased. American exports have declined. Foreign products have been attracted to our shores.

Steadily this chain of events has lengthened. Our farmers have had to submit to drastic acreage controls that hamper efficient farm management. Even these controls have been self-defeating, because acres diverted from price-supported crops have been planted to other crops. These crops have been thrown into surplus and their prices have declined. Today, almost without regard to the livestock or crop he produces, nearly every farmer is adversely affected by our surpluses. The whole process, for instance, has contributed to the present plight of hog producers.

When 3 years ago this administration assumed its responsibility in agriculture, work was begun immediately on what became the Agricultural Act of 1954. That act was developed and passed with bipartisan support, as all our agricultural legislation should be.

The 1954 law brought realism into the use of the essential tool of price supports. It applied the principle of price flexibility to help keep commodity supplies in balance with markets. That principle is sound and essential to a well-rounded farm program. For two reasons, the 1954 law has not yet been able to make its potential contribution to solving our farm troubles. First, the law began to take hold only with the harvests of 1955; it has not yet had the opportunity to be effective. Second, the operation of the new law is smothered under surpluses amassed by the old program.

The attack on the surplus must go forward in full recognition of the fact that farm products are not actually marketed when delivered to and held by the Government. A Government warehouse is not a market. Even the most storable commodities cannot be added forever to Government granaries, nor can they be indefinitely held. Ultimately the stockpiles must be used.

It is unthinkable to destroy food. Instead, we must move these stocks into domestic consumption or dispose of them abroad. Neither route under present conditions offers the results often expected. Surpluses moved domestically almost always compete directly with crops farmers are trying to sell. Moved

abroad in quantities large enough to remedy present difficulties, they would shatter world prices and trade, injure our friends, and undermine domestic prices as well.

To be sure, outlets for some of the surplus exist both at home and abroad. But experience has amply proved that neither the home nor foreign market can, under present conditions, readily absorb the tremendous stocks now depressing our agriculture.

Clearly new action is imperative. We must stop encouraging the production of surpluses. We must stop shifting acres from one crop to another, when such shifts result in new surpluses. Nor can crop problems be converted into millstones weighing down upon the producers of livestock.

Remedies are needed now, and it is up to the administration and the Congress to provide them swiftly. As we seek to go forward, we must not go back to old programs that have failed utterly to protect farm families.

I recommend, therefore, the following nine-point program. I urge the Congress to pass this program with maximum speed, for delay can only aggravate and multiply the difficulties already sorely harassing millions of our rural people.

#### 1. THE SOIL BANK

Our most pressing need today is to work off our surpluses so that our basic program of 1954 can succeed in gearing production to prospective markets at fair prices. A three-pronged attack is needed.

First, future production of crops in greatest surplus must be adjusted both to the accumulated stocks and to the potential markets.

Second, producers of other crops and of livestock must be relieved of excessive production from acreage diverted from surplus crops.

Third, lands poorly suited to tillage, now producing unneeded crops and subject to excessive wind and water erosion, must be retired from cultivation.

These essential adjustments can all be hastened through a soil-bank program. I recommend a soil bank of two parts.

The first is designed to meet the immediate need to reduce the crops in greatest oversupply. It may be called the acreage-reserve program.

The second part is a long-range attack to achieve better land use and protect farmers and ranchers from the effects of production on acres already diverted. It may be called the conservation-reserve program.

#### A. THE ACREAGE RESERVE PROGRAM

I recommend that the Congress consider a voluntary additional reduction in the acreage of certain crops which today are in serious surplus—wheat, cotton, corn, and rice.

In considering the application of this program to each of these crops, the Congress will wish to accord special attention to their distinctive problems—notably in the case of corn—as set forth later in this message.

I do not propose this program as a device to empty Government warehouses so

they may be filled again. There is, therefore, a basic corollary to the acreage-reserve program: in future years we must avoid, as a plague, farm programs that would encourage the building-up of new price-depressing surpluses.

What I here propose is essentially a deferred-production plan. As a necessary part of the voluntary acreage reduction, it is essential to protect the farmer's income. It would be grossly unfair to require farmers to bear the full burdens of this readjustment. Just as other readjustments from war were shouldered in considerable part by the Nation as a whole, so should this.

In the case of wheat and cotton, for example, I look to a voluntary reduction equivalent to possibly one-fifth of the acreage otherwise permitted by allotments—perhaps 12 million acres of wheat and 3 million of cotton. It should be practical to include wheat already seeded if it is incorporated with the soil, as green manure, or by other accepted practices. This would make it possible for more farmers to enter the program immediately and thereby start at once to work down the surplus.

Administrative discretion is needed to assure that the rates of reduction in different areas are related to the supply and demand conditions for different grades and classes. The farmer's cooperation in this temporary program must not impair his historic acreage allotments. Rights of tenant farmers must be protected. I should expect the reduction in wheat and cotton plantings to continue for some 3 or 4 years, during which time these huge crop carryovers should decline to normal levels.

In return for their voluntary participation in the acreage-reserve program cooperating farmers will be allocated certificates for commodities whose value will be based on the normal yields of the acres withheld in this reserve. I recommend that these certificates be made available to cooperating farmers through their county agricultural stabilization committees at normal harvesttime for each crop. The certificates will be negotiable so farmers can convert them to cash. They will be redeemable by the Commodity Credit Corporation in cash, or in kind at specified rates.

I further recommend that the legislation provide that each participating farmer contract to refrain from cropping or grazing any land he puts in the acreage reserve.

By so reducing crop production, commodities now in Government ownership can be used to supply market needs up to a proportionate amount. Thus the bulging Commodity Credit Corporation stocks can be correspondingly worked down without depressing current market prices.

The program will operate in this way: A farmer, with an allotment of 100 acres of wheat, for example, may choose to plant only 80 acres and put the remaining 20 in the acreage reserve. His acreage allotment will not be affected. He will agree not to graze or harvest any crop from the 20 acres put into the reserve.

In return for this cooperation in the temporary acreage reduction program,



he will receive a cashable certificate. The certificate will be equal to a percentage of the value of the crop he would have normally harvested from the 20 acres. This percentage will be set at an incentive level sufficiently high to assure success of the program.

This deferred production plan uses the surplus to reduce the surplus.

It will be financed with commodities already owned and paid for by the Government. Time and shrinkage, storage, and other costs are eroding away the present value of these stocks. Consequently, the real net cost to the Government—taking these and other facts into consideration—will be substantially less than the apparent cost in payments made on certificates.

I emphasize that this program is specifically intended to provide an income to farmers while the essential adjustment in stocks is being accomplished.

There are many virtues in the plan.

It will help remove the crushing burden of surpluses, the essential precondition for the successful operation of a sound farm program.

It will reduce the massive and unproductive storage costs on Government holdings—costs that are running about a million dollars a day.

It will provide an element of insurance since farmers are assured income from the reserve acres even in a year of crop failure.

It will ease apprehension among our friends abroad over our surplus-disposal program.

It will harmonize agricultural production with peacetime markets.

#### B. THE CONSERVATION RESERVE

The second part of the soil bank—the conservation reserve program—affects both today's surpluses and tomorrow's needs of our growing population.

Under the pressures of war and the production incentives continued in post-war years, large areas have come into cultivation which wise land use and sound conservation would have reserved to forage and trees.

In greater or lesser degree this problem exists throughout the Nation. Continued cropping of these lands results, on the one hand, in wastage of soil and water resources, and on the other, in production of commodities now in surplus.

Today the Nation does not need these acres in harvested crops.

We cannot accurately predict our country's food needs in the years ahead, except that they will steadily increase. We do know, however, that the sound course both for today and tomorrow is wisely to safeguard our precious heritage of food-producing resources so we may hand on an enriched legacy to future generations. The conservation reserve program will contribute materially to that end.

Further, production from the acres today diverted from surplus crops is now seriously affecting other segments of our agriculture. The acreage of feed grains, notably oats, barley and grain sorghums, has been increased. The end product of this diversion has been greatly enlarged supplies of and lower

prices for hogs, cattle, and dairy and poultry products. Producers of fruit, vegetables, and other crops have been adversely affected. The proposed conservation reserve can also make a major contribution to solving this problem of diverted acres.

I propose that farmers be asked to contract voluntarily with the Government to shift into forage, trees, and water storage cultivated lands most needing conservation measures. Any farmer would be eligible to participate in this program regardless of the crop he produces or the area where his farm is located. I would hope that some 25 million acres would be brought into the conservation reserve.

Forest lands under good management are a constant and a renewable resource. One-third of our forest area is in farm woodlands. From this source can come a large share of the lumber, pulpwood, and other forest products to meet the growing needs of our expanding economy. The conservation reserve can mean productive and protective tree cover for less productive lands now used for cultivated crops.

The Government itself must encourage this transfer in order to achieve the advantages to the general welfare that will follow from improved resource use. I propose, therefore, that the Government pay a fair share of the costs of establishing the conservation use, up to a specified per acre maximum that will vary by regions. The Government's share will be sufficiently high to encourage broad participation and thus assure the success of the program. Further, as the farmer reorganizes his farm along these soil-conserving lines, I recommend that the Government provide certain annual payments for a period of years related to the length of time needed to establish the new use of the land. The Congress will need to develop the basis and procedures for determining the amount of the payments. Here, as in the acreage-reserve program, I would not let the farmer's cooperation impair his historic acreage allotments.

The farmer, in turn, will agree that the acres put into this conservation reserve will be in addition to any land that he may put into the acreage reserve, and will represent a reduction in cropland cultivated. He will agree to carry out sound soil and water conservation on these acres, and to refrain from returning them to crop production, and from grazing them for a specified period.

I urge the Congress to approve this program with the least possible delay so that a significant part of the desired 25 million acres can come into the program in 1956.

My estimate is that if the Congress acts in time, some 350 million dollars will be invested in the conservation reserve during the calendar year, 1956, and a total of about a billion dollars over the next 3 years. Sums expended under this program will be in addition to the 250 million dollars provided for the agricultural-conservation program for the coming fiscal year.

In return the conservation-reserve program will bring these large rewards:

It will result in improved use of soil and water resources for the benefit of this and future generations.

It will increase our supply of much-needed farm-grown forest products.

It will help hold rain and snow where they fall and make possible more ponds and reservoirs on the farm.

It will reduce the undue stimulus to livestock production, and consequent low livestock prices, induced by feed-grain production on diverted acres.

It will similarly provide protection for producers of the many small-acreage crops whose markets are threatened by even a few diverted acres.

In combination with the acreage-reserve program for crops in surplus, the conservation-reserve program will help during the next several years to reduce the total volume of farm production and improve the balance among different farm commodities, both of which are important to a general improvement in farm prices.

#### 2. SURPLUS DISPOSAL

Production adjustments effected by the soil bank are needed to halt current additions to surpluses, and to reduce stocks on hand. But additional relief must be obtained from the price-depressing influence of these huge carryovers. In Public Law 480 the Congress has provided basic legislation for this purpose. The problem still exists, but not for lack of vigorous efforts to deal with it.

Surplus disposals have permitted substantial reductions in Commodity Credit Corporation stocks of butter, dried milk, cottonseed oil and meal, flaxseed and linseed oil, and seeds. Surplus disposals by the Commodity Credit Corporation have risen from just over half a billion dollars in fiscal 1953 to more than 1.4 billion dollars in fiscal 1954, and to more than 2.1 billion dollars in fiscal 1955.

In the last fiscal year sales of Government-owned price-supported commodities into the domestic market reached 403 million dollars. These were made with due care for the adverse effect they might have on prices received by farmers for current sales. Domestic donations to supply food for needy persons totaled an additional 196 million dollars. Overseas disposals, through barter and donations for constructive purposes, totaled 1.1 billion dollars. In spite of these vigorous efforts, the Commodity Credit Corporation investment in price-supported commodities increased by about 1 billion dollars during the fiscal year.

Because the problem continues to be so serious and stubborn, the Secretary of Agriculture is appointing an Agricultural Surplus Disposal Administrator who will report directly to the Secretary. The duties of the Administrator will relate to all activities of the Department associated with the utilization of Commodity Credit Corporation stocks and of our current abundant production.

Expanded opportunities will be sought to barter agricultural products, which deteriorate and are costly to store, for increased quantities of nonperishable



strategic materials. Additional legislation may be needed in this field.

The bulk of price-supported commodities held by the Government cannot now by law be sold into the domestic market except at prices equal to at least 105 percent of the support price plus carrying charges. This restriction has worked to the disadvantage of both farmers and the Government by blocking sales that would clearly have been advantageous to both. I recommend legislation to permit, under proper safeguards, sales at not less than support levels plus carrying charges.

Present provisions of surplus disposal legislation permit export dispositions of Government stocks to friendly nations only. Opportunities clearly to our interest may develop in the future to sell to countries excluded by this legislation. To enable us to realize on such opportunities I recommend repeal of section 304 of Public Law 480.

### 3. STRENGTHENING COMMODITY PROGRAMS

Our frontal attack on the problems of surpluses, diverted acres, unbalanced production and unwise land use is carried in major part by the soil bank through the acreage reserve and the conservation reserve programs.

These proposals are wholly in keeping with the fundamental principles of sound farm policy set forth in my special agricultural message of 2 years ago. In keeping with these principles the administration:

(a) Whenever possible will continue to ease or eliminate controls over farmers; and

(b) For commodities on which price supports are discretionary, will continue to support these prices at the highest levels possible without accumulating new price-depressing surpluses.

In keeping with this latter principle, I am advised by the Secretary of Agriculture that, as a direct result of operation of various parts of our present farm program, the supply and demand conditions for soybeans and flaxseed are now such as to warrant an increase in the price support levels for these crops in 1956. The higher support levels will be announced shortly.

In respect to other commodity programs I submit the following specific suggestions.

#### A. CORN

In recent years many farmers have chosen not to observe acreage allotments on corn. Considerably less than half of the 1955 crop was raised within acreage allotment limitations and thus eligible for price support. It is apparent that price supports alone, even at levels closely approaching the legal maximum, are an insufficient inducement for participation in a corn acreage allotment program.

I recommend therefore that the Congress give serious consideration to adapting the acreage reserve program to corn. One grave difficulty must be overcome. Unlike wheat and cotton, most of the corn crop is fed on the farms where it is produced. For this reason, marketing quotas such as are used on wheat and cotton are not feasible.

Thus, broad and effective participation by corn producers in an average allotment program is imperative for the acreage reserve program to achieve its objective of reducing the corn surplus. With broad and effective participation, in both programs, the acreage reserve program for corn would (a) reduce the carryover stocks which currently depress the market, (b) make possible a higher level of price support than would otherwise prevail for the 1956 crop, and (c) reduce the incentive to farmers to produce excessive supplies of hogs and fed cattle.

If the Congress should choose not to authorize the acreage reserve program for corn, the Congress may wish to consider an alternative; to eliminate acreage allotments for corn and put price supports for corn on a discretionary basis comparable with the other feed grains. With no acreage allotments and with discretionary supports, all corn producers would be eligible for price supports at a level substantially above the market price which prevailed during the 1955 harvest.

#### B. WHEAT

The problems of wheat are difficult and complex. The proposed soil bank, with its acreage reserve program, will make a major contribution toward their solution. This program is particularly well-suited to wheat since this crop is grown in large acreage and is now burdened under an accumulated carryover in excess of a full year's needs. The conservation reserve program and the Great Plains program, described later, will also help. Other changes are necessary also, both for current adjustments and for long-term balance between production and consumption.

(a) Legislation already has passed the Senate and is pending in the House of Representatives which would exempt from marketing quotas those producers who use for feed, food, or seed on their own farms all the wheat they raise. Because of the failure to pass this legislation last year, the Department of Agriculture has been compelled by law to hale before the courts farmers whose only offense was to raise and feed wheat outside their quotas. Again the administration urges prompt enactment of this legislation. Correction of this problem should be delayed no longer.

(b) Historically a significant proportion of the annual wheat crop has been used for livestock feed. The quantity fed in pre-World War II years ranged from 100 to 150 million bushels a year, about twice the quantity fed in more recent years. This reduced consumption has aggravated the surplus burden.

I recommend that the Congress give consideration to authorizing the annual sale for feeding purposes, at the discretion of the Secretary of Agriculture, of limited quantities of Commodity Credit Corporation wheat of less desirable milling quality. The authorized sale price should reflect the feeding value of the wheat, precautions being exercised as to the effect of such sales on prices on other feed grains. There are opportunities to use more wheat for feed in feed-deficit areas distant from the Corn Belt.

(c) I recommend legislation to expand the noncommercial wheat area beyond the 12 States now so designated. This action would eliminate acreage and marketing controls for many farmers who characteristically feed on their own farms most of the wheat they raise, and who contribute little to commercial supplies or surplus stocks.

(d) I recommend extension for 1 year of legislation which exempts durum wheat from acreage and marketing controls. This type of wheat is in short supply and production should not be restricted.

We are participating in negotiations for possible renewal of the International Wheat Agreement, which will terminate July 1, 1956, unless it is renewed.

#### C. COTTON

As in the case of wheat, the acreage reserve program is especially well-suited to cotton. This crop as well is burdened by an accumulated carryover in excess of a full year's requirements. Other legislative changes for cotton, in addition to the soil bank program, that require consideration are these:

(a) For all crops except cotton, price-support legislation requires that parity prices shall be computed on the basis of the average grade and quality of the crop. For cotton a special provision of law designates middling  $\frac{7}{8}$ -inch cotton as the standard grade for parity calculations and price support. Currently less than 5 percent of cotton production is of this grade or lower.

I urge an amendment to provide for cotton, as for other crops, that the average grade and quality of the crop be utilized for parity-price computations. This recommendation is, in general terms, in keeping with the intent of legislation already pending before the Senate.

(b) The shortcomings of acreage allotments as a means of controlling production on cotton are evident. In 1955, on an acreage allotment calculated to yield 10 million bales of cotton, nearly 15 million were harvested. Rapidly advancing technology is resulting in production far outrunning expectations based on acreage alone. This is especially true when prices are supported at wartime production incentive levels.

When production controls must be applied as a result of supply and market conditions, it is imperative to have controls that are effective. As surpluses are reduced through the proposed acreage reserve program of the soil bank and through other means, new accumulations of surplus must definitely be avoided.

For these reasons the Congress should consider replacing acreage allotments on cotton with quantity allotments beginning with the crop of 1957. The Congress could well consider similar action for other crops under marketing quotas.

#### D. RICE

Under the law, accumulated supplies of rice have required a 40-percent reduction in acreage for 1956 compared with 1954, and a decline in the support level to 75 percent of parity.

Rice production in this country is the most efficient in the world. However, our



rice is rapidly being priced out of world markets and is being diverted into Government warehouses and even into the feed markets.

There are two alternative courses of action to which the Congress should give consideration:

1. Inclusion of rice in the acreage reserve program. This will require continuation of production controls and marketing quotas.

2. Elimination of existing production and marketing controls on rice. Prices could then be supported on a discretionary basis at levels which would permit rice producers to improve their competitive market position.

If the Congress considers the latter course to serve the long-term best interest of rice producers, it may wish to consider use of the acreage reserve program to make the transition.

#### E. PEANUTS

The peanut price-stabilization program has experienced serious difficulties stemming in part from a fixed national minimum peanut acreage. With improving technology this minimum acreage will normally produce more peanuts than the market will absorb at the support price. Consequently, I recommend elimination of provisions for the minimum national acreage allotment.

#### F. SUGAR

The legislation to renew the Sugar Act of 1948, as amended, should promptly be completed. The Congress is aware of the need to give producers, as well as foreign suppliers and the entire sugar industry, as much advance notice as possible in planning their operations.

#### G. SPECIAL SCHOOL MILK PROGRAM

The special school milk program provided for in the Agricultural Act of 1954 has met with gratifying success. Approximately 9 million children had the health benefits of this program last year, including children in some 7,000 schools in which milk was not previously served. Consumption was increased by over 450 million half pints of milk. This is a good example of constructive use of a surplus product to meet a present need. We thus contribute to better health habits and at the same time promote an enlarged market for the future. Several thousand additional schools are participating in the program in the current school year.

I have been advised that, in some States, milk program funds are nearing depletion. We must see to it that the program is carried forward intact through this fiscal year.

I recommend that the program be extended for 2 years beyond June 30, 1956, with authorization to use Commodity Credit Corporation funds increased from 50 million dollars a year to 75 million dollars.

#### H. LIVESTOCK

For livestock producers, many parts of the program I have already discussed have special significance.

Establishment of the soil bank will alleviate the undue stimulus to livestock production and the resulting downward pressure on livestock prices which arise from using for feed-grain production

much of the acreage already diverted from wheat and cotton. Restrictions against grazing the soil bank acres will safeguard the interests of beef producers and dairymen.

Periodically livestock markets become glutted and prices disrupted. In such periods, where assistance will be constructive, timely and vigorous Government purchase and diversion programs are essential to bolster prices and help producers adjust to market demands. Such programs have been undertaken by this administration. The pork purchase program now in progress will shortly be stepped up to supply new and expanded outlets now being developed. Sales promotion and the development of better merchandising methods cooperatively with the livestock trade are part of this effort to meet the impact of heavy marketing.

Special programs of an emergency nature will be provided to help livestock producers as needed. For example, emergency credit and low-cost feed in the event of drought will be available whenever disaster strikes.

Increased research on nutrition, disease control, better breeding, more profitable use of byproducts and improved marketing will help lower production costs and facilitate the smooth flow of livestock products into consumption.

#### 4. DOLLAR LIMIT ON PRICE SUPPORTS

The average size of farms in American agriculture, as measured by capital or by acres, has rapidly increased. To the degree that this trend is associated with the development of more economic and more efficient farm units it is in the interest of farm families and of the Nation. To the degree, however, that it has resulted in the removal of risk for large farm businesses by reason of price supports, it is much less wholesome and constitutes a threat to the traditional family farm.

Under the price-support machinery as it has been functioning, price-support loans of tremendous size have occasionally occurred. It is not sound government policy to underwrite at public expense such formidable competition with family operated farms, which are the bulwark of our agriculture.

I ask the Congress to consider placing a dollar limit on the size of price-support loans to any one individual or farming unit. The limit should be sufficiently high to give full protection to efficiently operated family farms.

#### 5. RURAL DEVELOPMENT PROGRAM

In my message of January 11, 1954, I pointed out that the chief beneficiaries of our farm programs have been the 2 million larger, more productive farm units. Production on early 3 million other farms is so limited that the families thereon benefit only in small degree from the types of programs that heretofore have dominated our activities.

On April 26, 1955, I transmitted to the Congress recommendations of the Secretary of Agriculture for attacking the problems of low-income farm families. The Congress has met only in part these recommendations for legislation and appropriations. Despite the resultant

handicaps, the interest in this program has been so great that pilot work is already underway in well over 30 counties widely spread throughout the United States. There is activity now in more than one-half of the States.

Four departments of the Federal Government—Commerce, Labor, Health, Education, and Welfare, and Agriculture—are actively at work on this program with State and local leadership to aid low-income farm families.

Not only the welfare of these families but also of the people as a whole require that this program go forward. Once again, therefore, I urge the Congress to enact the full program recommended in my message of April 26, 1955.

#### 6. THE GREAT PLAINS PROGRAM

Between the prairies of the Central West and the Rocky Mountains is a vast area embracing all or part of 10 States, in which erratic climate, wind and water erosion, and special problems of land use constitute a continuing hazard. For more than a year intensive new studies of conditions and problems peculiar to this Great Plains region have been in progress. The work has been carried on cooperatively between the leadership of the 10 States involved, the Department of Agriculture and the Great Plains Council, which includes technical people from the States of the region. This study will help to define the respective responsibilities of individuals and local, State, and Federal agencies.

The proposed soil bank, with its acreage-reserve program to reduce promptly production of crops in surplus and with its conservation reserve program to take less productive lands out of crops, will meet in part some of the conditions especially serious in the Great Plains. Other desirable modifications of existing legislation include:

1. Provision for longtime cost-sharing commitments under the agricultural conservation program; and
2. Relaxation of planting requirements to maintain base acreage for wheat allotments.

Shortly I will transmit to the Congress a report containing certain recommendations for providing a more stable agriculture in this important region.

#### 7. RESEARCH

Scientific research has been the means of fundamentally important developments both in agriculture and industry. It has resulted in improved quality, new and better techniques, new products, new markets, new high levels of material well-being for our people, and new horizons for our future. Most individual farmers are not in a position to carry on scientific investigations. Government has special responsibility in this area—and particularly is this the case since the benefits of research related to agriculture are widely shared by all the people.

Not only can research provide for the material needs of future generations, but it also can contribute in many ways to the fuller utilization of our present abundance.

We must look for new uses of agricultural products that can contribute to human welfare, such as livestock by-



products for medicinal purposes or such as coarse fibers for construction materials already have contributed.

We must find new markets, as we have for fallow in industry or as have followed upon the development of frozen and powdered juice concentrates.

We must find new crops offering such new opportunities and benefits as are exemplified by soybeans and sorghums.

We must further improve our marketing mechanism, as already has been done through refrigeration and new processing techniques, so that the benefits of our abundance may be still more widely distributed. Marketing margins have continued to increase, even while farm prices have been declining. Thus the farmer's share of the retail food dollar has shrunk appreciably. Retail prices have changed little, thereby impeding desired increases in consumption. We must find ways to lower costs of food distribution. Research is an effective way to help attain that important goal. The Secretary of Agriculture is actively engaged in an expanded inquiry directed toward reducing the costs of distribution.

Our basic scientific knowledge from which all practical applications of science are made is vitally important and must be expanded. This knowledge is essential also to continue the attack on the ravages of plant and animal pests and diseases. We cannot use or reap benefits from what we do not know. A major frontier of agriculture lies in our laboratories and experimental fields.

In the budget message, I will request the maximum increase in agricultural research funds that can be effectively used next year with the technical manpower and facilities available. This will be an increase of one-fourth, to a total of \$103 million.

#### 8. CREDIT

In making the transition from war to peace, and similarly in making the investment adjustments associated with a dynamic agriculture, farmers are experiencing increased need for credit. This is especially true for young men, particularly veterans, who have started farming in recent years.

Private financial institutions, individuals, and Government agencies are furnishing credit for agriculture. Administrative, budgetary, and legislative changes now being developed in Government all point toward assuring adequate and sympathetic coverage of agricultural credit requirements, which cannot be met by private financial institutions.

Loans made by the Farmers' Home Administration have increased gradually during the past 4 years from \$212 million to well over \$300 million, and can increase further as the new provisions for insured loans become more widely used.

The Farm Credit Administration has been reorganized to give farmers a greater voice in its operation. Further legislation will be proposed to combine the Production Credit Corporations and the Federal intermediate credit banks. Federal land-bank loans made by the Farm Credit Administration have in-

creased from \$237 million 4 years ago to more than \$400 million last year.

The administration is determined to see to it that an adequate supply of credit remains readily available to our farmers at all times.

#### 9. GASOLINE TAX

One of the farmer's operating costs is the Federal tax on gasoline. About one-half of the gasoline bought by farmers is used on the farm. I recommend that legislation be passed to relieve the farmer of the Federal tax on purchases of gasoline so used.

Historically agricultural policy in this country has sought to foster family-sized owner-operated farms. This has been a sound and wise policy—not only in the development of an efficient agriculture which has become the envy of the world, but also in fostering a sturdy, resourceful, self-reliant citizenry.

Farm organization and farming operations are undergoing profound change as science and technology rapidly alter the structure of agriculture. Great care must be exercised that these changes do not result in huge corporation farms on the one hand or in unrewarding subsistence units on the other. The time-proven commercial family farm must continue as the basic social and economic unit of agriculture. Accordingly farm policy must encourage such farms, sufficiently large and productive to provide satisfactions in farm living equal to those enjoyed by other Americans.

Insofar as the problems of agriculture can best be solved by Government action, Government should accept the responsibility.

The proper role of Government, however, is that of partner with the farmer—never his master. By every possible means we must develop and promote that partnership—to the end that agriculture may continue to be a sound, enduring foundation for our economy and that farm living may be a profitable and satisfying experience.

Assisted by experienced farm people both in and out of Government, I have been earnestly studying this problem for many months. I believe that the 9-point program, set forth in this message, building on our present program, meets the urgent needs of our farmers today and does so in a way consistent with our basic traditions. It offers no nostrums or panaceas. Our farm folk expect better of us than to deal in that kind of specious practice.

Farmers expect programs that are forward looking, economically sound and fair.

This program offers a workable approach to reducing the surpluses, bringing production and markets into balance at fair prices, and so raising the income and advancing the security of our farm families.

Should this program be enacted, its degree of success will be dependent upon the degree of farmer participation and upon a common determination to work together in ridding ourselves of burdensome surpluses. With such a spirit, this program will speed the transition to a stable, prosperous and free peacetime agriculture with a bright future.

Again I urge upon the Congress the need for swift legislative action on these recommendations, in the interest of our farm people, in the interest of every American citizen.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, January 9, 1956.

#### INTERFERENCE IN ADMINISTRATION OF CRIMINAL LAWS IN GEORGIA

(Mr. LANHAM asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. LANHAM. Mr. Speaker, on Thursday last, I and several of my colleagues made on the floor of the House the strongest possible protest to the action of the FBI in presuming to interfere in and thwart the administration of the criminal laws of the State of Georgia. The question at issue turned upon the question of whether or not Negroes were systematically excluded from the jury panels. I gave what information I had at the time about the situation in this respect in Cobb County. I did not, however, at that time have in my possession an editorial which appeared in the Marietta (Cobb County) Daily Journal on Sunday, January 1, 1956. This editorial is well reasoned and makes its perfectly clear that there was no earthly excuse for the interference by the Federal Bureau of Investigation and the United States Department of Justice with the administration of the criminal laws of the State of Georgia.

Consequently, I am including this statement herewith:

#### NEGROES SERVE ON OUR JURIES

Through an unfortunate series of coincidences, Cobb County seems to have become a temporary whipping boy for the Republican administration.

The Negro vote in several Northern key States can mean the difference between victory and defeat in a Presidential election. The GOP is currently wooing that vote by kowtowing to the wishes of the NAACP as regards the Negro question.

Today, our Cobb jury system is under investigation by the United States Department of Justice. This probe originated in Washington as a result of the United States Supreme Court's decision in the Amos Reece rape case. We feel that the investigation has political overtones that smell to high heaven.

Undoubtedly there are counties in the South that still cling to the outmoded practice of excluding Negro citizens from jury service. Cobb County is not one of them.

For several years Negroes have served on Cobb County petit and grand juries. This newspaper has noted this fact with pictures of the Negro jurors and stories about their service.

We took justifiable pride in the knowledge that these Negroes became jurors through the efforts of local citizens and officials. No outsiders or Department of Justice agents ordered us to put Negroes on jury duty.

If one could examine our jury lists and distinguish the Negroes from the white (which is impossible unless you know the individuals by name), one would likely find a larger percentage of Negro jurors in comparison to Negro taxpayers than one might expect.

Cobb County has made great strides within the past few years to share the burden of









[COMMITTEE PRINT]

JANUARY 17, 1956

(DRAFT PREPARED BY COMMITTEE STAFF TO ILLUSTRATE  
SUGGESTIONS MADE BY VARIOUS WITNESSES AT COMMIT-  
TEE'S HEARINGS HELD FROM OCTOBER 19, 1955, TO NOVEM-  
BER 24, 1955)

84TH CONGRESS  
2D SESSION

S. 3183

IN THE SENATE OF THE UNITED STATES

JANUARY , 1956

Mr. ----- introduced the following bill ; which was read twice and referred  
to the Committee on Agriculture and Forestry

A BILL

To provide an improved farm program.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the “Agricultural Act of  
4 1956”.

5 TITLE I. PRICE SUPPORT

6 PRICE SUPPORT LEVELS

7 SEC. 101. (a) Section 101 (d) (6) of the Agricultural  
8 Act of 1949 is amended to read as follows:

9 “(6) except as provided in subsection (c), the

1 level of support to cooperators for any basic agricul-  
 2 tural commodity of any grade, type, staple, variety, or  
 3 other quality for which the supply is not in excess of  
 4 requirements for domestic consumption and exports,  
 5 plus a reasonable reserve for contingencies, shall be not  
 6 less than 90 per centum of the parity price therefor  
 7 if producers have not disapproved marketing quotas.”

8 (b) Section 403 of the Agricultural Act of 1949 is  
 9 amended to read as follows:

10 “SEC. 403. In establishing support prices for any com-  
 11 modity appropriate adjustments shall be made in its parity  
 12 prices for differences in grade, type, staple, variety, quality,  
 13 location, and other factors. Such adjustments shall, so far  
 14 as practicable, be made in such manner that the average  
 15 adjusted parity price for such commodity will, on the basis  
 16 of the anticipated incidence of such factors, be equal to the  
 17 parity price for the commodity determined as provided in  
 18 the Agricultural Adjustment Act of 1938.”

NOTE.—The italicized subsections (a) and (b) shown below are alternative proposals to subsections (a) and (b) shown above. Some witnesses suggested that the average grade of cotton should be the standard grade and this proposal could be accomplished by striking out the last sentence of subsection (a) below.

19 *SEC. 101. (a) Section 403 of the Agricultural Act of*  
 20 *1949 is amended to read as follows:*

21 “*SEC. 403. Appropriate adjustments may be made in*  
 22 *the support price for any commodity for differences in grade,*



1 *type, variety, staple, quality, location, and other factors, and,*  
2 *in the case of wheat, the Secretary shall provide for appro-*  
3 *priate discounts for varieties which the Secretary determines*  
4 *are unsuitable for milling purposes. Such adjustments shall,*  
5 *so far as practicable, be made in such manner that the*  
6 *average support price for such commodity will, on the*  
7 *basis of the anticipated incidence of such factors, be equal to*  
8 *the level of support determined as provided in this Act.*  
9 *Middling one-inch cotton shall be the standard grade for*  
10 *purposes of parity and price support.”*

11 *(b) Section 3 (a) of Public Law 272, Eighty-first*  
12 *Congress, is hereby repealed.*

13 *(c) Section 101 (d) of the Agricultural Act of 1949 is*  
14 *amended by adding at the end thereof the following addi-*  
15 *tional paragraph:*

16 *“(8) the support price available to any producer in*  
17 *any calendar year for any basic agricultural commodity,*  
18 *other than tobacco, shall be decreased as provided in the*  
19 *following table as the aggregate amount of price sup-*  
20 *port loans and purchases made to the producer with*  
21 *respect to all basic agricultural commodities increases;*  
22 *but the price support made available on any commodity*  
23 *covered by paragraph (6) of this subsection shall in*  
24 *no event be less than 90 per centum of its parity price.*

PRICE SUPPORT TABLE FOR BASIC AGRICULTURAL COMMODITIES  
OTHER THAN TOBACCO

| If the loan or purchase would increase<br>the aggregate price support loans and<br>purchases made to the producer with<br>respect to all basic agricultural com-<br>modities (other than tobacco) during<br>the calendar year to an amount— |                           | The support price shall<br>be the following per-<br>centage of the level<br>of support otherwise<br>provided by this Act: |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------|--|
| Not exceeding \$-----                                                                                                                                                                                                                       |                           | 100                                                                                                                       |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | but not exceeding \$----- |                                                                                                                           |  |
| Exceeding \$                                                                                                                                                                                                                                | -----                     | 66                                                                                                                        |  |

1 For the purpose of this paragraph that portion of any loan  
2 or purchase which would increase the total price support loans  
3 or purchases made to the producer with respect to all basic  
4 agricultural commodities, other than tobacco, during the  
5 calendar year to any multiple of \$ shall be treated  
6 separately from the balance of such loan or purchase. In  
7 the case of husband and wife, parents and dependent children,  
8 or other family unit residing in one household and recognizing  
9 a single authority as the head of the family, not more than  
10 one person or group of persons shall be recognized as a  
11 producer for the purpose of this paragraph. Price support  
12 through operations other than loans or purchases may not  
13 exceed the minimum support price provided by this para-



1 graph. In the absence of action by the Secretary under sec-  
 2 tion 402 of this Act, the ‘current support price’ of any basic  
 3 agricultural commodity, other than tobacco, for the purposes  
 4 of section 407 of this Act shall be the minimum support price  
 5 provided by this paragraph.”

NOTE.—The following italicized alternate paragraph (8) would increase the support level for small producers without reducing the support level for large producers.

6 “(8) *the level of price support available under any*  
 7 *loan or purchase to any cooperator for any crop of a*  
 8 *basic agricultural commodity (other than tobacco) for*  
 9 *which marketing quotas have not been disapproved by*  
 10 *producers, shall not be lower than the level set forth in*  
 11 *the following table:*

PRICE SUPPORT TABLE FOR BASIC AGRICULTURAL COMMODITIES  
 OTHER THAN TOBACCO

| <i>If the loan or purchase would increase the aggregate price support loans and purchases made to the producer with respect to all basic agricultural commodities (other than tobacco) during the calendar year to an amount—</i> | <i>The level of support available through such loan or purchase shall be the following percentage of the parity price:</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <i>Not exceeding \$1,000</i> -----                                                                                                                                                                                                | <i>100</i>                                                                                                                 |
| <i>Exceeding \$1,000 but not exceeding \$2,000</i> -----                                                                                                                                                                          | <i>98</i>                                                                                                                  |
| <i>Exceeding \$2,000 but not exceeding \$3,000</i> -----                                                                                                                                                                          | <i>96</i>                                                                                                                  |
| <i>Exceeding \$3,000 but not exceeding \$4,000</i> -----                                                                                                                                                                          | <i>94</i>                                                                                                                  |
| <i>Exceeding \$4,000 but not exceeding \$5,000</i> -----                                                                                                                                                                          | <i>92</i>                                                                                                                  |
| <i>Exceeding \$5,000 but not exceeding \$6,000</i> -----                                                                                                                                                                          | <i>90</i>                                                                                                                  |
| <i>Exceeding \$6,000 but not exceeding \$7,000</i> -----                                                                                                                                                                          | <i>88</i>                                                                                                                  |
| <i>Exceeding \$7,000 but not exceeding \$8,000</i> -----                                                                                                                                                                          | <i>86</i>                                                                                                                  |
| <i>Exceeding \$8,000 but not exceeding \$9,000</i> -----                                                                                                                                                                          | <i>84</i>                                                                                                                  |
| <i>Exceeding \$9,000 but not exceeding \$10,000</i> -----                                                                                                                                                                         | <i>82</i>                                                                                                                  |
| <i>Exceeding \$10,000 but not exceeding \$11,000</i> -----                                                                                                                                                                        | <i>80</i>                                                                                                                  |
| <i>Exceeding \$11,000 but not exceeding \$12,000</i> -----                                                                                                                                                                        | <i>78</i>                                                                                                                  |
| <i>Exceeding \$12,000 but not exceeding \$13,000</i> -----                                                                                                                                                                        | <i>76</i>                                                                                                                  |
| <i>Exceeding \$13,000</i> -----                                                                                                                                                                                                   | <i>75</i>                                                                                                                  |

1 *For the purpose of this paragraph that portion of any loan*  
2 *or purchase which would increase the total price support*  
3 *loans or purchases made to the producer with respect to all*  
4 *basic agricultural commodities, other than tobacco, during*  
5 *the calendar year to any multiple of \$1,000 shall be treated*  
6 *separately from the balance of such loan or purchase. In*  
7 *the case of husband and wife, parents and dependent chil-*  
8 *dren, or other family unit residing in one household and*  
9 *recognizing a single authority as the head of the family, not*  
10 *more than one person or group of persons shall be recognized*  
11 *as a producer for the purpose of this paragraph. In the*  
12 *absence of action by the Secretary under section 402 of this*  
13 *Act the 'current support price' of any basic agricultural*  
14 *commodity, other than tobacco, shall be determined for the*  
15 *purposes of section 407 of this Act without regard to the*  
16 *provisions of this paragraph."*

17 (d) The Agricultural Act of 1949 is amended by adding  
18 at the end thereof the following new section:

19 "SEC. 421. No price support shall be made available to  
20 any producer who customarily derives more than 50 per  
21 centum of his income from occupations other than the pro-  
22 duction of agricultural commodities."

23 (e) This section shall be effective with respect to 1956  
24 and subsequent crops.



## PARITY FORMULA

SEC. 102. Section 301 (a) (1) (G) of the Agricultural Adjustment Act of 1938 (providing for a dual parity formula) is amended by striking out the following: “, as of any date during the six-year period beginning January 1, 1950,”. The Secretary shall make a thorough study of possible methods of improving the parity formula and report thereon, with his recommendations, to Congress within six months after the enactment of this Act.

## TITLE II—SOIL BANK ACT OF 1956

## SHORT TITLE

SEC. 201. This title may cited as the “Soil Bank Act of 1956”.

## DEFINITIONS

SEC. 202. As used in this title—

(1) The term “agricultural commodity” means any product of the soil which is produced from annual seeding for commercial purposes.

(2) The term “Secretary” means the Secretary of Agriculture.

## ACREAGE TO BE RETIRED AND METHOD OF APPORTIONMENT

SEC. 203. (a) The Secretary is authorized and directed to establish and maintain a soil bank as provided by this title. Prior to November 15 in each year, beginning with 1956,

1 the Secretary shall determine the acreage to be maintained  
2 in the soil bank during the succeeding year. Such acreage  
3 shall be the number of acres, if any, by which—

4 (1) the acreage used for the production of agricul-  
5 tural commodities during the year in which such deter-  
6 mination is made, plus any acreage then in the soil bank  
7 or retired from production as a result of acreage allot-  
8 ments or marketing quotas, exceeds

9 (2) the acreage needed during the year for which  
10 such determination is made for the production of agricul-  
11 tural commodities for domestic consumption and  
12 export and to maintain adequate reserves to meet emer-  
13 gency requirements.

14 In making the determination referred to in clause (2) for  
15 any year, stocks of agricultural commodities on hand from  
16 prior years shall be taken into consideration only to such  
17 extent as is necessary to provide for the orderly liquidation  
18 of such stocks over a reasonable period of years and as will  
19 not result in undue hardship to producers. As soon as  
20 practicable after the enactment of this Act the Secretary  
21 shall determine the acreage which, consistent with the pur-



1 poses of this Act, can be maintained in the soil bank during  
2 1956.

NOTE.—The following subsections give the Secretary very broad authority in apportioning acreage to be retired, and would permit establishment of an acreage reserve and a conservation reserve within the soil bank as outlined in the President's program. However separate computation and apportionment of such reserves could be provided for specifically if that appeared desirable.

3 (b) The acreage, if any, to be added to the soil bank  
4 for any year shall be apportioned to States, counties, and  
5 farms on the basis of their respective acreages used for the  
6 production of agricultural commodities, plus their respective  
7 acreages maintained in the soil bank, during the preceding  
8 year, except that—

9 (1) so much, if any, of the acreage to be added to  
10 the soil bank in any year as the Secretary shall deem  
11 necessary therefor shall be apportioned to States,  
12 counties, and farms in such manner as may be necessary  
13 to restrict production on acreage diverted from  
14 crops under acreage allotment or marketing quota, and  
15 to relieve hardship resulting from such diversion, particularly  
16 in cases where such relief is necessary for the  
17 support of the family residing on and operating the  
18 farm;

1           (2) appropriate adjustments shall be made for acre-  
2       age continued in the soil bank from the preceding year;

3           (3) appropriate adjustments shall be made to the  
4       extent necessary to assure adequate production of agri-  
5       cultural commodities and products not in surplus and to  
6       discourage the production of agricultural commodities  
7       and products in surplus;

8           (4) appropriate adjustments may be made to pre-  
9       vent the reduction of family farm units, whether  
10      operated by owners or tenants, to an uneconomic size;

11          (5) appropriate adjustments may be made, to the  
12      extent desirable for the effective administration of this  
13      title, where the acreage apportioned to any farm under  
14      this subsection is too small to permit of effective ad-  
15      ministration, or is slightly more or less than a full field or  
16      other unit;

17          (6) appropriate adjustments may be made where  
18      the Secretary determines through the State, county, and  
19      local committees and other sources of information that  
20      certain producers, or producers in certain areas, desire to  
21      add less acreage to the soil bank than that which  
22      would otherwise be apportioned to them, while other  
23      producers or producers in other areas, desire to add a  
24      greater acreage to the soil bank than that which would  
25      otherwise be apportioned to them;



(7) appropriate adjustments may be made to meet the respective needs of various areas for flood control, drought control, and other conservation benefits; and

(8) if the Secretary determines that in any State or county, a majority of the producers desire such action and that such action will contribute to the effective and equitable administration of this title, the Secretary, in lieu of apportioning the State apportionment to counties and farms or apportioning the county apportionment to farms may determine the lands to be added to the soil bank in such State or county through negotiation, advertising and bid procedure, or other suitable method.

#### METHODS OF RETIREMENT

SEC. 204. (a) The Secretary is authorized to provide through lease, purchase, payments, or other contractual arrangements (including price support for commodities produced on other lands at levels higher than otherwise provided) for retirement of the acreage apportioned to any farm under section 203 (b) of this title from the production of agricultural commodities to such uses as he determines will protect and improve the fertility of the soil and promote the general welfare. In determining which method of retirement shall be used, the Secretary shall give consideration to the following factors: (1) Needs in future years to withdraw lands from the soil bank; (2) the desirability of dis-

1 tributing the expiration of leases uniformly by years and  
2 areas; (3) the period of years necessary to obtain the maxi-  
3 mum benefits from the conservation uses to which the lands  
4 are retired; (4) the desires of the person with whom such  
5 contractual arrangement is entered into; (5) the availability  
6 of appropriations; and (6) such other factors as the Secretary  
7 may deem proper.

8 (b) Not more than per centum of the lands to  
9 be added to the soil bank in any year shall be retired through  
10 purchase or lease in excess of five years. The contractual  
11 arrangement under which lands are retired shall contain—

12 (1) a provision prohibiting the retired lands from  
13 being used during the period of retirement for the pro-  
14 duction of agricultural commodities or products (includ-  
15 ing livestock products); but permitting the Secretary  
16 to return such lands to production if the need therefor  
17 should arise prior to the end of the prescribed period of  
18 retirement;

19 (2) such provisions as the Secretary may deem  
20 necessary limiting the diversion of other lands on the  
21 farm from conservation, woods, pasture, or other use to  
22 uses which would tend to defeat the retirement from pro-  
23 duction provided for by such contractual arrangement;

24 (3) a provision (A) giving the Secretary a right of  
25 entry on the farm with respect to which such contractual



1 arrangement is entered into for the purpose of measuring  
2 acreage and otherwise determining compliance with such  
3 contractual arrangement, and (B) requiring the farm  
4 operator to certify under oath or affirmation with re-  
5 spect to matters necessary to determine such compliance;

6 (4) such provisions as may be necessary to provide  
7 equitable treatment for tenants and prevent them from  
8 being forced off the farm or restricted to the operation  
9 of uneconomic units;

10 (5) such provisions as the parties may agree to with  
11 respect to the nonproductive purposes for which the  
12 lands may be used by the farm owner or operator, the  
13 Secretary, the general public, or others; and

14 (6) such other provisions as the Secretary may  
15 deem appropriate to accomplish the purpose of this  
16 title.

17 (c) The purchase price of any lands purchased pur-  
18 suant to this section shall not exceed the actual cash value of  
19 such lands for agricultural purposes. The rental for any  
20 lands leased pursuant to this section shall not exceed the fair  
21 rental value of such lands for agricultural purposes. Pay-  
22 ment may also be made by the Secretary of such part of the  
23 cost of the conservation materials and practices applied to  
24 the retired lands as he may determine to be fair and equi-  
25 table. In determining the rental to be paid for leased lands

1 and the share of the conservation costs to be paid by the  
2 Government, the Secretary shall give consideration to such  
3 of the following factors as he may deem material: (1) the  
4 desirability of establishing rentals for retired lands for the  
5 purposes of this title at a uniform percentage (between 5  
6 and 7 per centum of their value; (2) the support or market  
7 value of the normal production of the retired acres; (3)  
8 taxes, interest on land cost, depreciation on machinery for-  
9 merly used to cultivate the retired lands, and compensation  
10 for loss of income from the retired lands; (4) prevailing  
11 rental values; (5) the landlord's customary share of the nor-  
12 mal production of the retired lands; (6) the rights in the  
13 retired lands retained by the owner or operator and the rights  
14 granted to the Secretary; and (7) the benefits which will  
15 accrue to the owner or operator and to the general public as  
16 a result of the conservation measures applied to the retired  
17 lands.

18 (d) Contractual arrangements for the retirement of lands  
19 under this section expiring in any year may be renewed by  
20 mutual agreement, if such renewals would not result in the  
21 soil bank for succeeding years exceeding the acreage to be  
22 maintained in the soil bank for such years as provided by  
23 section 203. The number of acres covered by any such ar-  
24 rangements which are not renewed shall, if needed to main-  
25 tain the soil bank at the required level, be treated as acreage



1 to be added to the soil bank and apportioned as provided in  
2 subsection (b) of section 203.

3 (e) Whenever it shall appear to the Secretary that  
4 (because of the high or low normal productivity of lands  
5 being retired to the soil bank or other reason) redetermina-  
6 tion of the acreage to be maintained in the soil bank for any  
7 year is necessary to accomplish the purposes of this Act, the  
8 Secretary shall make such redetermination and may make  
9 such adjustment in apportionments under section 203 (b)  
10 as may then appear to be feasible and desirable in the light  
11 of the provisions of this title and the circumstances existing  
12 at the time of such redetermination.

13 (f) Producers shall be required to enter into con-  
14 tractual arrangements with respect to any acreage appor-  
15 tioned to them under this title as a condition of eligibility  
16 for price supports and conservation payments.

17 REPORTS ON ADMINISTRATION OF THIS TITLE

18 SEC. 205. As soon as practicable after substantial com-  
19 pletion of the period of entering into contractual arrange-  
20 ments under this title each year for the years 1956 through  
21 1959, the Secretary shall report to Congress on the admin-  
22 istration of this title; the acreage retired; the methods of  
23 apportionment used; the methods of retirement used; the  
24 purposes for which the retired lands may be used by the  
25 farm owners and operators, the general public, and the

1 Government; the conservation practices applied; the extent  
2 to which the retired lands may be utilized to contribute  
3 to flood control, drought control, recreation, wildlife man-  
4 agement, and other purposes; and such recommendations  
5 for amendment of this title as may appear necessary or  
6 desirable.

### 7 TITLE III—SURPLUS DISPOSAL

#### 8 MAINTENANCE OF INCREASED SET-ASIDE

9 SEC. 301. (a) Notwithstanding the provisions of sec-  
10 tion 102 of the Agricultural Act of 1954, the quantities of  
11 wheat and cotton set aside pursuant to section 101 of that  
12 Act shall be increased, respectively, by a quantity acquired  
13 from 1955 and prior years' crops equal to the quantity by  
14 which the carryover of the commodity for the marketing  
15 year beginning in 1956 exceeds the carryover of the com-  
16 modity for the marketing year beginning in 1955.

17 (b) The last sentence of section 105 of the Agricultural  
18 Act of 1954 is amended by striking out "1955" and insert-  
19 ing "1956".

20 (c) So much of subsection (a) of section 103 of the  
21 Agricultural Act of 1954 as precedes paragraph (1) of  
22 such subsection is amended to read as follows:

23 "(a) During any marketing year for which the total  
24 supply of any commodity in the set-aside (excluding the  
25 quantity in the set-aside from the computation of total



1 supply) exceeds per centum of the normal supply for  
2 such commodity the commodity set-aside shall be reduced  
3 by disposals of such commodity made in accordance with  
4 the directions of the President as follows:"

5 PROGRAM OF ORDERLY LIQUIDATION

6 SEC. 302. (a) The Secretary of Agriculture shall, as  
7 rapidly as possible consistent with the operation of the price  
8 support program and orderly liquidation, dispose of all  
9 stocks of agricultural commodities held by the Commodity  
10 Credit Corporation in excess of those required to provide  
11 adequate reserves for current domestic consumption and  
12 export and for the national security (hereinafter referred  
13 to as "surplus commodities").

14 (b) The Secretary shall submit a detailed program for  
15 the disposition of surplus commodities as required by subsec-  
16 tion (a) to Congress within thirty days after the enactment  
17 of this Act and shall report annually thereafter on his opera-  
18 tions under subsection (a). Such programs and annual  
19 reports shall show—

20 (1) the quantities of surplus commodities on hand;

21 (2) the methods of disposition utilized and the  
22 quantities disposed of during the preceding twelve  
23 months;

24 (3) the methods of disposition to be utilized and

1 the estimated quantities that can be disposed of during  
2 the succeeding twelve months;

3 (4) a detailed program for the expansion of mar-  
4 kets for surplus agricultural commodities through  
5 marketing and utilization research and improvement of  
6 marketing facilities; and

7 (5) recommendations for additional legislation  
8 necessary to accomplish the purposes of this section.

9 REESTABLISHMENT OF HISTORIC SHARE OF WORLD COTTON  
10 MARKET

11 SEC. 303. (a) In furtherance of the current policy  
12 of the Commodity Credit Corporation of offering surplus  
13 agricultural commodities for sale for export at competitive  
14 prices, the Commodity Credit Corporation is directed to use  
15 its existing powers and authorities to encourage sales for  
16 export of such quantities of cotton as will reestablish and  
17 maintain the fair historical share of the world market for  
18 United States cotton, said volume to be determined by the  
19 Secretary of Agriculture.

20 (b) In order to prevent material interference with  
21 the sales program authorized under subsection (a) or with  
22 the cotton price support program or to prevent loss of  
23 domestic markets for cotton or reduction in the amount of  
24 cotton products produced in the United States from United  
25 States cotton, the quantity of manufactured cotton products



1 which may be imported into the United States shall not  
2 exceed by more than 50 per centum the average annual  
3 quantity imported during a representative period of two  
4 consecutive years, as determined by the Secretary of Agri-  
5 culture: *Provided*, That not to exceed 25 per centum of  
6 such quantity may be entered during any calendar quarter.  
7 The Secretary of Agriculture may promulgate such regula-  
8 tions as may be necessary to assure equitable distribution of  
9 such quotas among exporting countries.

10 EXTENSION AND EXPANSION OF SPECIAL SCHOOL MILK  
11 PROGRAM

12 SEC. 304. The last sentence of section 201 (c) of the  
13 Agricultural Act of 1949, as amended, is amended to read  
14 as follows: "For the period September 1, 1954, to June 30,  
15 1955, not to exceed \$50,000,000, and for the period July 1,  
16 1955, to June 30, 1957, not to exceed \$75,000,000 annu-  
17 ally, of the funds of the Commodity Credit Corporation shall  
18 be used exclusively to increase the consumption of fluid milk  
19 by children in nonprofit schools of high-school grade and  
20 under."

21 EXTENSION OF ACCELERATED BRUCELLOSIS PROGRAM

22 SEC. 305. Section 204 (e) of the Agricultural Act of  
23 1954, is amended to read as follows:

24 "As a means of stabilizing the dairy industry and fur-  
25 ther suppressing and eradicating brucellosis in cattle the

1 Secretary of Agriculture is authorized to transfer not to  
2 exceed \$15,000,000 for each of the fiscal years ending on  
3 or before June 30, 1958, from funds available to the Com-  
4 modity Credit Corporation, to the funds appropriated to the  
5 Department of Agriculture for such fiscal years for the pur-  
6 pose of accelerating the brucellosis eradication program, for  
7 the purpose of increasing to not to exceed \$50 per head of  
8 cattle the amount of the indemnities paid by the Federal  
9 Government for cattle destroyed because of brucellosis in  
10 connection with cooperative control and eradication programs  
11 for such disease in cattle entered into by the Secretary under  
12 the authority of the Act of May 29, 1884, as amended, for  
13 the purpose of increasing the number of such indemnities,  
14 and for the purpose of defraying any additional administra-  
15 tive expenses in connection therewith. There are hereby  
16 authorized to be appropriated annually such sums as may be  
17 necessary to reimburse the Commodity Credit Corporation  
18 for expenditures pursuant to this section.”

19 EXTENSION OF VETERANS AND ARMED FORCES MILK  
20 PROGRAMS

21 SEC. 306. Section 202 of the Agricultural Act of 1949  
22 (relating to the Veterans and Armed Forces Milk Pro-  
23 grams) is amended by striking out “December 31, 1956”  
24 wherever it appears therein and inserting in lieu thereof  
25 “December 31, 1958”.



## 1 TITLE IX—RICE CERTIFICATE PLAN

2 SEC. 401. Title III of the Agricultural Adjustment Act  
3 of 1938, as amended, is amended (1) by changing the  
4 designation thereof to read as follows: "TITLE III—  
5 LOANS, PARITY PAYMENTS, CONSUMER SAFE-  
6 GUARDS, MARKETING QUOTAS, AND MARKET-  
7 ING CERTIFICATES"; (2) by changing the designation  
8 of subtitle D thereof to read as follows: "Subtitle E—Mis-  
9 CELLANEOUS PROVISIONS AND APPROPRIATIONS"; and  
10 (3) by inserting after subtitle C a new subtitle D, as follows:

## 11 "SUBTITLE D—RICE MARKETING CERTIFICATES

## 12 "LEGISLATIVE FINDINGS

13 "SEC. 380a. Rice, in addition to being a basic food,  
14 is one of the great export crops of American agriculture  
15 and its production for domestic consumption and for export  
16 is essential to the maintenance of a sound national economy  
17 and to the general welfare. The movement of rice from  
18 producer to consumer, is preponderantly in interstate and  
19 foreign commerce. That small percentage of rice which is  
20 produced and consumed within the confines of any State  
21 is normally commingled with, and always bears a close and  
22 intimate commercial and competitive relationship to, that  
23 quantity of such commodity which moves in interstate and  
24 foreign commerce. For this reason, any regulation of intra-

1 state commerce in rice is a regulation of commerce which is  
2 in competition with, or which otherwise affects, obstructs,  
3 or burdens, interstate commerce in that commodity. In  
4 order to provide an adequate and balanced flow of rice in  
5 interstate and foreign commerce and thereby assist farmers  
6 in obtaining parity of income by marketing rice for domestic  
7 consumption at parity prices and by increased exports at  
8 world prices, and to assure consumers an adequate and  
9 steady supply of rice at fair prices, it is necessary to regu-  
10 late all commerce in rice in the manner provided under  
11 the marketing certificate plan set forth in this subtitle.

12 "PRIMARY MARKET QUOTA

13 "SEC. 380b. Not later than December 31 of each  
14 calendar year the Secretary shall determine and proclaim  
15 the primary market quota for rice for the marketing year  
16 beginning in the next calendar year. Such quota shall be  
17 that number of bushels of rice which the Secretary deter-  
18 mines will be consumed as human food in the United States  
19 (including its Territories and possessions) or exported to  
20 Cuba during such marketing year.

21 "APPORTIONMENT OF PRIMARY MARKET QUOTA

22 "SEC. 380c. (a) The primary market quota for rice,  
23 less a reserve of not to exceed 1 per centum thereof for  
24 apportionment as provided in this subsection, shall be appor-  
25 tioned by the Secretary among the several States on the



1 basis of the total production of rice in each State during the  
2 five calendar years immediately preceding the calendar  
3 year for which the quota is proclaimed (plus, in applicable  
4 years, the acreage diverted under previous agricultural ad-  
5 justment and conservation programs), with adjustments for  
6 trends in acreage during the applicable period. The re-  
7 serve quota set aside herein for apportionment by the Secre-  
8 tary shall be apportioned to farms receiving quotas which  
9 are inadequate because of an insufficient State or county  
10 quota or because rice was not produced on the farm during  
11 all of the preceding five years.

12 “(b) The State quota shall be apportioned to farms  
13 owned or operated by persons who have produced rice in  
14 any one of the five calendar years immediately preceding the  
15 year for which such apportionment is made on the basis of  
16 past production of rice in the State by the producer on the  
17 farm taking into consideration the acreage allotments and  
18 quotas previously established in the State for such owners  
19 or operators; abnormal conditions affecting production; land,  
20 labor, and equipment available for the production of rice;  
21 crop rotation practices; and the soil and other physical factors  
22 affecting the production of rice: *Provided*, That if the State  
23 committee recommends such action and the Secretary de-  
24 termines that such action will facilitate the effective admin-  
25 istration of the Act, he may provide for the apportionment

1 of the State quota to farms on which rice has been produced  
2 during any one of such period of years on the basis of the  
3 foregoing factors, using past production of rice on the farm  
4 and the acreage allotments and quotas previously established  
5 for the farm in lieu of past production of rice by the producer  
6 and the acreage allotments and quotas previously established  
7 for such owners or operators. Not more than 3 per centum  
8 of the State quota shall be apportioned among farms operated  
9 by persons who will produce rice during the calendar year  
10 for which the allotment is made but who have not produced  
11 rice in any one of the past five years, on the basis of the  
12 applicable apportionment factors set forth herein: *Provided*,  
13 That in any State in which quotas are established for farms  
14 on the basis of past production of rice on the farm such  
15 percentage of the State quota shall be apportioned among  
16 the farms on which rice is to be planted during the calendar  
17 year for which the apportionment is made but on which rice  
18 was not planted during any of the past five years, on the  
19 basis of the applicable apportionment factors set forth herein.

20 “(c) Notwithstanding any other provisions of this Act—

21 “(1) if farm quotas are established by using past  
22 production of rice on the farm and the acreage allot-  
23 ments and quotas previously established for the farm in  
24 lieu of past production of rice by the producer and the  
25 acreage allotments and quotas previously established for



1 owners or operators, the State quota shall be apportioned  
2 among counties in the State on the same basis as the  
3 national quota is apportioned among the States and the  
4 county quotas shall be apportioned to farms on the basis  
5 of the applicable factors set forth in subsection (b) of  
6 this section: *Provided*, That the State committee may  
7 reserve not to exceed 5 per centum of the State quota,  
8 which shall be used to make adjustments in county  
9 quotas for trends in acreage and for abnormal conditions  
10 affecting plantings; and

11 “(2) In determining the past production of rice by  
12 producers on a farm, the production of rice on the farm  
13 for any year for which farm acreage allotments or quotas  
14 were in effect shall be divided among the producers  
15 thereon in the proportion in which they contributed to  
16 the farm acreage allotment or quota.

17 “(d) Notwithstanding any other provision of this sec-  
18 tion, no amount of rice produced on any farm in excess of  
19 the quota for such farm shall be taken into account in  
20 establishing future State, county, and farm quotas.

21 “(e) In any case in which, during any year for which a  
22 primary market quota is in effect under this title, the pro-  
23 duction of rice on any farm is less than the quota for such  
24 farm, there shall be considered for the purposes of future

1 farm, county, and State quotas to have been produced on  
2 such farm in such year an amount of rice equal to the quota  
3 of such farm, but only if the owner or operator of such farm  
4 notifies the county committee prior to June 20 of such year  
5 of his desire to preserve such quota.

6 “MARKETING CERTIFICATES

7 “SEC. 380d. (a) The Secretary shall issue marketing  
8 certificates to cooperators for the amount produced within  
9 the quota established for the farm pursuant to the applicable  
10 provisions of section 380c of this Act. The Secretary may  
11 require such certification by the producer on the face of the  
12 certificate or otherwise with respect to the amount produced  
13 by him as may be necessary to determine the value of the  
14 certificate. The Secretary may authorize the issuance of such  
15 certificates to individual producers on any farm on the basis  
16 of their respective shares in that part of the rice crop, or the  
17 proceeds thereof, produced on the farm which is within the  
18 quota for the farm. The Secretary shall also issue and sell  
19 marketing certificates in such quantities as may be required  
20 to persons processing rice into food products or importing  
21 rice food products. Marketing certificates shall be trans-  
22 ferable only in accordance with regulations issued by the  
23 Secretary.

24 “(b) Whenever a primary market quota is proclaimed  
25 for any marketing year pursuant to section 380b of this



1 Act, the Secretary shall determine and proclaim for such  
2 marketing year (1) the estimated parity price and the  
3 estimated farm price for rice, and (2) the value of the  
4 marketing certificate. The value of the marketing certifi-  
5 cate shall be equal to the amount by which the estimated  
6 parity price exceeds the estimated farm price as deter-  
7 mined herein. The value of the marketing certificate shall  
8 be computed to the nearest cent. The proclamation re-  
9 quired by this subsection shall be made during the month  
10 of July immediately preceding the marketing year for which  
11 such quota is proclaimed.

12 “(c) The Secretary is authorized and directed through  
13 the Commodity Credit Corporation to buy and sell market-  
14 ing certificates issued for any marketing year at the value  
15 proclaimed pursuant to subsection (b) of this section. Cer-  
16 tificates shall be valid to cover sales and importations of  
17 products made during the marketing year with respect to  
18 which they are issued and after being once used to cover  
19 such sales and importations shall be canceled by the Secre-  
20 tary. Any unused certificates shall be redeemed by the  
21 Secretary at the price established for such certificates.

22 “MARKETING RESTRICTIONS

23 “SEC. 380e. (a) Except as provided in subsection (d)  
24 hereof, no person engaged in the processing of rice into food  
25 products composed wholly or partly of rice shall market for

1 domestic food consumption or export any such product pro-  
2 duced by him containing rice in excess of the quantity for  
3 which marketing certificates issued pursuant to section 380  
4 of this Act have been acquired by such person.

5 “(b) Except as provided in subsection (d) hereof, no  
6 person, shall import or bring into the continental United  
7 States any food product containing rice in excess of the quan-  
8 tity for which marketing certificates issued pursuant to sec-  
9 tion 380d of this Act have been acquired by such person.

10 “(c) Upon the exportation from the continental United  
11 States to any country other than Cuba of any food product  
12 processed from rice, with respect to which marketing cer-  
13 tificates as required herein have been acquired, the Secre-  
14 tary shall pay to the exporter an amount equal to the value  
15 of the certificates for the quantity of rice equivalent so ex-  
16 ported. For the purposes of this subsection, the consignor  
17 named in the bill of lading, under which the article is ex-  
18 ported, shall be considered the exporter: *Provided, however,*  
19 That any other person may be considered to be the exporter  
20 if the consignor named in the bill of lading waives claim in  
21 favor of such other person.

22 “(d) Upon the giving of a bond satisfactory to the  
23 Secretary under such rules and regulations as he shall pre-  
24 scribe to secure the purchase of and payment for such mar-



1   keting certificates as may be required, any person required  
2   to have a marketing certificate in order to market or import  
3   a food product processed wholly or partly from rice may  
4   market or import any such food product without having  
5   first acquired a marketing certificate.

6       “(c) As used in this section, the term ‘market’ means  
7   the sale and the delivery of the food product composed wholly  
8   or partly of rice.

9                               “CONVERSION FACTORS

10       “SEC. 380f. The Secretary shall ascertain and establish  
11   conversion factors showing the amount of rice contained in  
12   food products processed wholly or partly from rice. The  
13   conversion factor for any such product shall be determined  
14   upon the basis of the weight of rice used in the processing  
15   of such product.

16                               “CIVIL PENALTIES

17       “SEC. 380g. Any person who violates or attempts to  
18   violate, or who participates or aids in the violation of, any  
19   of the provisions of subsection (a) or (b) of section 380e  
20   of this Act shall forfeit to the United States a sum equal  
21   to three times the market value, at the time of the commission  
22   of such act, of the product involved in such violation. Such  
23   forfeiture shall be recoverable in a civil suit brought in the  
24   name of the United States.

## 1 "REPORTS AND RECORDS

2 "SEC. 380i. (a) The provisions of section 373 of this  
3 Act shall apply to all persons, except rice producers, who are  
4 subject to the provisions of this subtitle, except that any  
5 such person failing to make any report or keep any record  
6 as required by this section or making any false report or  
7 record shall be deemed guilty of a misdemeanor and upon  
8 conviction thereof shall be subject to a fine of not more than  
9 \$2,000 for each such violation.

10 "(b) The provisions of section 373 (b) of the Act shall  
11 apply to all rice farmers who are subject to the provisions  
12 of this subtitle.

## 13 "REFERENDUM

14 "SEC. 380j. In the first referendum held pursuant to  
15 section 354 of this Act after the enactment of this section,  
16 the Secretary shall also submit the question whether farmers  
17 favor a marketing certificate program under this subtitle  
18 in lieu of marketing quotas under subtitle B. If more than  
19 one-half of the farmers voting in the referendum favor such  
20 marketing certificate program, the Secretary shall, prior  
21 to the effective date of the national marketing quota pro-  
22 claimed under subtitle B, suspend the operation of such quota  
23 and a marketing certificate program shall be in effect under  
24 the provisions of this subtitle. Price crops produced subse-



quent to the date of such suspension shall be subject to  
acreage allotments but not marketing quotas under subtitle B.

“PRICE SUPPORT

“SEC. 380k. Notwithstanding any other provision of  
law—

“(a) Whenever a rice marketing certificate program under this subtitle is in effect, price support for rice shall be determined in accordance with the provisions of this section.

“(b) The Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support to producers of rice who are co-operators. The amount, terms, conditions, and extent of such price-support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) foreign trade policies of friendly rice exporting countries, and (3) other factors affecting international trade in rice including exchange rates and currency regulations.

“(c) Compliance by the producer with production goals, and marketing practices (excluding marketing quotas) may be prescribed and required by the Secre-

1 tary as additional conditions of eligibility for price sup-  
2 port and for the receipt of marketing certificates.

## 3 DEFINITION

4 “SEC. 380l. As used in this subtitle—

5           “(a) a cooperator shall be a producer on whose farm  
6           the acreage planted to rice does not exceed the farm  
7           acreage allotment for rice under subtitle B. For the  
8           purpose of this section, a producer shall not be deemed  
9           to have exceeded his farm acreage allotment unless such  
10          producer knowingly exceeded such allotment.

11 “(b) ‘food products’ includes milled rice, brewers’  
12 rice, and other rice products used for human con-  
13 sumption.”

14 TITLE V—MARKETING QUOTAS AND ACREAGE  
15 ALLOTMENTS

## 16 EXTENSION OF SURRENDER AND REAPPORTIONMENT

## 17 PROVISIONS FOR WHEAT ACREAGE ALLOTMENTS

18 SEC. 501. Section 334 (f) of the Agricultural Ad-  
19 justment Act of 1938, as amended, is amended by striking  
20 out "1955" wherever it appears in such subsection.

## 21 SURRENDERED COTTON ACREAGE

22 SEC. 502. Section 344 (m) (2) of the Agricultural  
23 Adjustment Act of 1938, as amended (relating to voluntary  
24 surrender of unused portions of cotton acreage allotments)  
25 is amended by striking out “, except that this shall not



1 operate to make the farm from which the allotment was  
2 transferred eligible for an allotment as having cotton planted  
3 thereon during the three-year base period”.

NOTE.—If the above provision is adopted, consideration of a similar amendment to section 334 (f) for wheat may be desired.

#### 4 LONG STAPLE COTTON

5 SEC. 503. (a) The last sentence in section 347 (b)  
6 (providing a minimum national marketing quota for long  
7 staple cotton) is amended by striking out “thirty thousand  
8 bales” and inserting in lieu thereof “fifty thousand bales”.

9 (b) The amount of long staple cotton which may be  
10 entered or withdrawn from warehouse consumption in the  
11 United States in the twelve-month period beginning on  
12 February 1, 1956, or in any subsequent twelve-month pe-  
13 riod beginning on a February 1, shall not exceed thirty-five  
14 million pounds. The Secretary of Agriculture may promul-  
15 gate such regulations as may be necessary to assure equitable  
16 distribution of such quota among exporting countries. As  
17 used in this subsection “long staple cotton” means cotton  
18 having a staple length of at least one and one-eighth inches  
19 but less than one and eleven-sixteenths inches.

#### 20 PEANUTS

21 SEC. 504. (a) The proviso in section 358 (a) of the  
22 Agricultural Adjustment Act, as amended (providing a  
23 minimum acreage allotment for peanuts), is hereby repealed.

1       (b) Section 358 (c) (2) of such Act (authorizing  
2 the Secretary to increase peanut acreage allotments for types  
3 in short supply) is hereby repealed.

4       PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

5       SEC.       . The Agricultural Adjustment Act of 1938,  
6 as amended, is amended by inserting after section 376 a new  
7 section as follows:

8       “PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

9       “SEC. 377. In any case in which, during any year after  
10 1955 for which acreage allotments are in effect for any  
11 commodity under this Act, the acreage planted to such  
12 commodity on any farm is less than the acreage allotment  
13 for such farm, the entire acreage allotment for such farm  
14 shall be considered for purposes of future farm acreage allot-  
15 ments to have been planted to such commodity in such  
16 year, but only if the owner or operator of such farm notifies  
17 the county committee prior to the thirtieth day preceding  
18 the beginning of the marketing year for such commodity  
19 of his desire to preserve such allotment. This section shall  
20 not be applicable in any case in which the amount of the  
21 commodity required to be stored to postpone or avoid pay-  
22 ment of penalty has been reduced because the allotment  
23 was not fully planted.”



1 EFFECTIVE DATE

2 SEC. . The amendments made by this title shall

3 be effective with respect to 1956 and subsequent crops.

JANUARY 17, 1956

84TH CONGRESS  
2D Session

S.

# A BILL

To provide an improved farm program.

By Mr. -----

JANUARY , 1956

Read twice and referred to the Committee on  
Agriculture and Forestry



84TH CONGRESS  
2D SESSION

# H. R. 8543

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 1956

Mr. Hore introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To provide for the protection and conservation of national soil, water, and forest resources and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3                               **TITLE I—SOIL BANK ACT**

4                               **DECLARATION OF POLICY**

5       SEC. 101. This title may be cited as the “Soil Bank  
6       Act”, and the term “this Act” when used in this title shall  
7       mean the Soil Bank Act.

8       SEC. 102. The Congress hereby finds that the production  
9       of excessive supplies of cultivated agricultural commodities

1 depresses the prices and income of farm families; constitutes  
2 improper land use and brings about soil erosion, depletion of  
3 soil fertility, and too rapid release of water from lands  
4 where it falls, thereby adversely affecting the national wel-  
5 fare, impairing the productive facilities necessary for a con-  
6 tinuous and stable supply of agricultural commodities, and  
7 endangering an adequate supply of water for agricultural  
8 and nonagricultural use; overtaxes the facilities of interstate  
9 and foreign transportation; congests terminal markets and  
10 handling and processing centers in the flow of commodities  
11 from producers to consumers; depresses prices in interstate  
12 and foreign commerce; disrupts the orderly marketing of  
13 commodities in such commerce; and otherwise affects, bur-  
14 dens, and obstructs interstate and foreign commerce. It is  
15 in the interest of the general welfare that the soil and water  
16 resources of the Nation be not wasted and depleted in the  
17 production of such burdensome surpluses and that inter-  
18 state and foreign commerce in agricultural commodities be  
19 protected from excessive supplies. It is hereby declared to  
20 be the policy of the Congress and the purposes of this Act  
21 to protect and increase farm income, to protect the national  
22 soil, water, and forest resources from waste and depletion,  
23 to protect interstate and foreign commerce from the burdens  
24 and obstructions which result from the utilization of farm  
25 land for the protection of excessive supplies of cultivated



1 agricultural commodities, to provide for the conservation of  
2 such resources and an adequate, balanced and orderly flow  
3 of such agricultural commodities in interstate and foreign  
4 commerce. To effectuate the policy of Congress and the  
5 purposes of this Act programs are herein authorized to assist  
6 farmers to divert a portion of their cultivated cropland from  
7 the production of excessive supplies of cultivated agricul-  
8 tural commodities, and to carry out a program of soil, water,  
9 and forest conservation. The activities authorized under this  
10 Act are supplementary to the acreage allotments and mar-  
11 keting quotas authorized under the Agricultural Adjustment  
12 Act of 1938, as amended, and together with such acreage  
13 allotments and marketing quotas, constitute an overall pro-  
14 gram to prevent excessive supplies of cultivated agricultural  
15 commodities from burdening and obstructing interstate and  
16 foreign commerce.

17           SUBTITLE A—ACREAGE RESERVE PROGRAM

18                       TERMS AND CONDITIONS

19       SEC. 103. Notwithstanding any other provision of law,  
20 the Secretary of Agriculture (hereinafter referred to as the  
21 “Secretary”) is authorized and directed to formulate and  
22 carry out an acreage reserve program for the 1956, 1957,  
23 1958, and 1959 crops of wheat, cotton, corn, and rice, respec-  
24 tively (hereinafter referred to as “the commodity”) under  
25 which producers shall be compensated for reducing their

1   acres of the commodity below their farm acreage allot-  
2   ments established under the Agricultural Adjustment Act of  
3   1938, as amended. To be eligible for such compensation the  
4   producer (a) shall reduce his acreage of the commodity be-  
5   low his farm acreage allotment within such limits as the Sec-  
6   retary may prescribe, (b) shall specifically designate the  
7   acreage so withdrawn from the production of such commod-  
8   ity (hereinafter referred to as the "reserve acreage"), and  
9   (c) shall not harvest any crop from, or graze, the reserve  
10   acreage unless the Secretary determines that it would be  
11   in the national interest to permit grazing and gives consent  
12   thereto. The reserve acreage shall be in addition to any  
13   acreage devoted to the conservation reserve program author-  
14   ized under subtitle B of this Act. In the formulation and  
15   administration of the acreage reserve program the Secretary  
16   shall provide adequate safeguards to protect the interests  
17   of tenants and sharecroppers, including provision for sharing,  
18   on a fair and equitable basis, in the certificates issued pur-  
19   suant to section 105 hereof. The acreage reserve program  
20   may include such terms and conditions, in addition to those  
21   specifically provided for herein, as the Secretary determines  
22   are desirable to effectuate the purposes of this Act and to  
23   facilitate the practical administration of the acreage reserve  
24   program.



## EXTENT OF PARTICIPATION IN PROGRAM

SEC. 104. For purposes of the acreage reserve program the Secretary shall establish a national reserve acreage goal for the 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn, and rice, respectively, of not to exceed 30 per centum of the national acreage allotment established for such commodity under the Agricultural Adjustment Act of 1938, as amended. The limits within which individual farms may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments established under the Agricultural Adjustment Act of 1938, as amended, the supply and demand conditions for different classes, grades, and qualities of the commodity, and such other factors as he deems appropriate.

## COMPENSATION OF PRODUCERS

SEC. 105. Producers shall be compensated for participating in the acreage reserve program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in the commodity or in cash in accordance with regulations prescribed by the Secretary. Such compen-

1 sation shall be at such rate or rates as the Secretary deter-  
2 mines will provide producers with a fair and reasonable  
3 return for reducing their acreage of the commodity, taking  
4 into consideration the loss of production of the commodity  
5 on the reserve acreage, any savings in cost which result  
6 from not planting the commodity on the reserve acreage,  
7 and the incentive necessary to achieve the reserve acreage  
8 goal. Commodities delivered to producers in redemption of  
9 such certificates shall not be eligible for tender to Commodity  
10 Credit Corporation under the price support program.

#### 11 SALES OF CCC STOCKS

12 SEC. 106. The Commodity Credit Corporation is author-  
13 ized to sell at market prices, without regard to sales price  
14 limitations which would otherwise be applicable, a quantity  
15 of the commodity equal in sales value to the cost of redeem-  
16 ing certificates in cash. Such sales shall be made at such  
17 times, in such manner and in such quantities as will minimize  
18 any adverse effect of such sales upon market prices.

#### 19 REDUCTION OF SET-ASIDE

20 SEC. 107. The quantities of cotton and wheat in the  
21 commodity set-aside established pursuant to the Agricultural  
22 Act of 1954 shall be reduced by the estimated quantities  
23 of such commodities which would have been produced on  
24 the reserve acreage if such reserve acreage had been devoted  
25 to the production of such commodities.



## 1 EFFECT ON ACREAGE ALLOTMENTS AND QUOTAS

2 SEC. 108. (a) In the future establishment of State,  
3 county, and farm acreage allotments for wheat, cotton, corn,  
4 and rice, respectively, under the Agricultural Adjustment  
5 Act of 1938, as amended, reserve acreages applicable to the  
6 commodity shall be credited to the State, county, and farm  
7 as though such acreage had actually been devoted to the  
8 production of the commodity.

9 (b) In applying the provisions of paragraph (6) of  
10 Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340  
11 (6) ), and sections 326 (b) and 356 (g) of the Agricul-  
12 tural Adjustment Act of 1938, as amended (7 U. S. C. 1326  
13 (b), 1356 (g) ), relating to reduction of the storage  
14 amounts of wheat and rice, the reserve acreage of the com-  
15 modity on any farm shall be regarded as wheat acreage or  
16 rice acreage, as the case may be, on the farm.

## 17 SUBTITLE B—CONSERVATION RESERVE PROGRAM

## 18 TERMS AND CONDITIONS

19 SEC. 109. (a) To effectuate the purposes of this Act the  
20 Secretary is hereby authorized to enter into contracts with  
21 producers determined by him to have control of the farms  
22 for the period covered by the contract wherein the producer  
23 shall agree:

24 (1) To establish and maintain for the contract period  
25 protective vegetative cover (including but not limited to

1 grass and trees) or water storage facilities on a specifically  
2 designated acreage of cultivated cropland in the farm.

3 (2) To devote to conserving crops or uses, or allow to  
4 remain idle, throughout the contract period an acreage of the  
5 remaining land in the farm which is not less than the acre-  
6 age normally devoted only to conserving crops or uses or  
7 normally allowed to remain idle on the entire farm.

8 (3) Not to harvest any crop from the acreage estab-  
9 lished in protective vegetative cover.

10 (4) Not to pasture the acreage established in protective  
11 vegetative cover prior to January 1, 1959, or such later  
12 date as may be provided in the contract, unless the Secre-  
13 tary determines that it would be in the national interest to  
14 permit pasturing thereon and gives consent thereto; and if  
15 such acreage is pastured at the end of such period, to pasture  
16 such acreage in accordance with sound pasture management.

17 (5) Not to adopt any practice, as specified by the  
18 Secretary in the contract, tending to defeat the purposes  
19 of the contract.

20 (6) To forfeit all rights to further payments or grants  
21 under the contract and refund to the United States all pay-  
22 ments or grants received thereunder upon his violation of  
23 the contract at any stage during the time he has control of  
24 the farm if the Secretary determines that such violation is  
25 of such a nature as to warrant termination of the contract,



1 or to make such refunds or accept such payment adjustments  
2 as the Secretary may deem appropriate if he determines  
3 that the producer's violation does not warrant termination  
4 of the contract.

5 (7) To such additional provisions as the Secretary  
6 determines are desirable and includes in the contract to  
7 effectuate the purposes of this Act and to facilitate the  
8 practical administration of the conservation reserve program.

9 (b) In return for such agreement by the producer the  
10 Secretary shall agree:

11 (1) To bear such part of the cost (including labor) of  
12 establishing and maintaining vegetative cover or water  
13 storage facilities on the designated acreage as the Secretary  
14 determines to be necessary to effectuate the purposes of this  
15 Act, but not to exceed a maximum amount per acre or  
16 facility prescribed by the Secretary for the county or area  
17 in which the farm is situated; and

18 (2) To make an annual payment to the producer for  
19 the term of the contract upon determination that he has  
20 fulfilled the provisions of the contract entitling him to such  
21 payment. The rate or rates of the annual payment to be  
22 provided for in the contracts shall be established on such  
23 basis as the Secretary determines will provide producers with  
24 a fair and reasonable annual return on the land established

1 in protective vegetative cover or water storage facilities,  
2 taking into consideration the value of the land for the pro-  
3 duction of commodities customarily grown on such kind of  
4 land in the county or area, the prevailing rates for cash  
5 rentals for similar land in the county or area, the incentive  
6 necessary to obtain contracts covering sufficient acreage for  
7 the substantial accomplishment of the purposes of the con-  
8 servation reserve program, and such other factors as he  
9 deems appropriate. Such rate or rates may be determined  
10 on an individual farm basis, a county or area basis, or such  
11 other basis as the Secretary determines will facilitate the  
12 practical administration of the program. No annual pay-  
13 ment to any person with respect to land in any one State  
14 shall exceed \$5,000.

15 (c) The Secretary, with the approval of the President,  
16 shall determine annually the scope of the program to be  
17 conducted under this subtitle B: *Provided*, That no action  
18 shall be taken pursuant to this subsection (c) which would  
19 cause impairment of any contract existing as of the time  
20 such annual determination is made.

21 AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES

22 SEC. 110. (a) The Secretary is authorized to formulate  
23 and announce programs under this subtitle B and to enter  
24 into contracts thereunder with producers during the five-



1 year period 1956-1960 to be carried out during the period  
2 ending not later than December 31, 1969.

3 (b) The period covered by any contract shall not ex-  
4 ceed ten years.

#### 5 TERMINATION AND MODIFICATION OF CONTRACTS

6 SEC. 111. (a) The Secretary may terminate any con-  
7 tract with a producer by mutual agreement with the pro-  
8 ducer if the Secretary determines that such termination  
9 would be in the public interest.

10 (b) The Secretary may agree to such modification of  
11 contracts previously entered into as he may determine to be  
12 desirable to carry out the purposes of this Act and to facili-  
13 tate the practical administration of the conservation reserve  
14 program.

#### 15 CONSERVATION MATERIALS AND SERVICES

16 SEC. 112. (a) The Secretary may purchase conserva-  
17 tion materials and services and make such materials and  
18 services available to producers under the conservation re-  
19 serve program to aid them in establishing vegetative cover  
20 or water storage facilities under contracts authorized by this  
21 subtitle B, may reimburse any Federal, State, or local gov-  
22 ernment agency for conservation materials and services fur-  
23 nished by such agency, and may pay expenses necessary in  
24 making such materials and services available, including all

1 or part of the costs incident to the delivery, application, or  
2 installation of materials and services.

3 (b) Notwithstanding any other provision of law, in  
4 making conservation materials and services available to pro-  
5 ducers hereunder, the Secretary may make payments, in  
6 advance of determination of performance by the producers,  
7 to persons who fill purchase orders covering approved con-  
8 servation materials or who render services to the Secretary  
9 in furnishing to producers approved conservation materials  
10 or services for the establishment by the producers of vegeta-  
11 tive cover or water storage facilities under contracts author-  
12 ized by this subtitle B. The price at which purchase orders  
13 for any conservation material or service are filled may be  
14 limited, if the Secretary determines that it is necessary in the  
15 interest of producers and the Government, to a fair price  
16 fixed in accordance with regulations prescribed by the  
17 Secretary.

18 EFFECT ON OTHER PROGRAMS

19 SEC. 113. Notwithstanding any other provision of law—  
20 (1) insofar as the acreage of cropland on any farm  
21 enters into the determination of acreage allotments and  
22 marketing quotas under the Agricultural Adjustment  
23 Act of 1938, as amended, the cropland acreage on the  
24 farm shall not be decreased during the period of any  
25 contract entered into under the conservation acreage pro-



gram by reason of the establishment and maintenance of vegetative cover or water storage facilities under such contract; and

(2) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out the contract entered into under the conservation acreage program shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.

#### PROTECTION OF TENANTS AND SHARECROPPERS

SEC. 114. In the administration of the conservation reserve program, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

#### GEOGRAPHICAL APPLICABILITY

SEC. 115. (a) This subtitle B shall apply to the continental United States, and, if the Secretary determines it to be in the national interest, to one or more of the Territories of Alaska and Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and, as used in this subtitle B, the term "State" includes Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

## 1                   SUBTITLE C—GENERAL PROVISIONS

## 2                               CERTIFICATE OF CLAIMANT

3           SEC. 116. Payment or compensation authorized by this  
4 Act may be made upon the certificate of the claimant, in  
5 such form as the Secretary may prescribe, that he has com-  
6 plied with all requirements for such payments and that the  
7 statements and information contained in the application for  
8 payment are correct and true, to the best of his knowledge  
9 and belief.

## 10                   UTILIZATION OF LOCAL AND STATE COMMITTEES

11          SEC. 117. In administering this Act in the continental  
12 United States, the Secretary shall utilize the services of  
13 community, county, and State committees established under  
14 section 8 of the Soil Conservation and Domestic Allotment  
15 Act, as amended.

## 16                               FINANCING

17          SEC. 118. (a) The Secretary is authorized to utilize  
18 the facilities, services, authorities, and funds of the Com-  
19 modity Credit Corporation in discharging his functions and  
20 responsibilities under this Act, including payment of costs  
21 of administration for the programs authorized under this  
22 Act. There is hereby authorized to be appropriated such  
23 sums as may be necessary to make payments to the Cor-  
24 poration for its actual costs incurred under this section.

25           (b) All funds available for carrying out the purposes



1 of this Act shall be available for transfer to such agencies  
2 of the Federal or State governments as the Secretary may  
3 request to cooperate or assist in carrying out this Act; and  
4 for technical assistance in formulating and carrying out the  
5 programs authorized by this Act. The Secretary may make  
6 such payments in advance of determination of performance.

#### 7 FINALITY OF DETERMINATIONS

8 SEC. 119. The facts constituting the basis for any pay-  
9 ment or compensation, or the amount thereof, authorized  
10 to be made under this Act, when officially determined in  
11 conformity with applicable regulations prescribed by the  
12 Secretary, shall be final and conclusive and shall not be  
13 reviewable by any other officer or agency of the Govern-  
14 ment. In case any producer who is entitled to any payment  
15 or compensation dies, becomes incompetent, or disappears  
16 before receiving such payment or compensation, or is suc-  
17 ceeded by another who renders or completes the required  
18 performance, the payment or compensation shall, without  
19 regard to any other provisions of law, be made as the  
20 Secretary may determine to be fair and reasonable in all  
21 the circumstances and so provide by regulations.

#### 22 REGULATIONS

23 SEC. 120. The Secretary shall prescribe such regula-  
24 tions as he determines necessary to carry out the provisions  
25 of this Act.

1 TITLE II—MISCELLANEOUS PROVISIONS AND  
2 AMENDMENTS

3 SEC. 201. Section 334 (e) of the Agricultural Adjust-  
4 ment Act of 1938, as amended (7 U. S. C. 1334 (e)), is  
5 amended to read as follows:

6 “(e) Notwithstanding any other provision of this Act,  
7 the Secretary shall increase the farm marketing quotas and  
8 acreage allotments for the 1956 crop of wheat for farms  
9 located in counties in the States of California, Minnesota,  
10 Montana, North Dakota, and South Dakota, designated by  
11 the Secretary as counties which (1) are capable of pro-  
12 ducing durum wheat (class II) and (2) have produced  
13 such wheat for commercial food products during one or more  
14 of the five years 1951 through 1955. The increase in the  
15 wheat acreage allotment for any farm shall be conditioned  
16 upon the production of durum wheat (class II) on such  
17 increased acreage. The increased allotment shall be de-  
18 termined by adding to the allotment established without  
19 regard to this subsection (hereinafter referred to as the  
20 ‘original allotment’), less the reserve acreage of wheat  
21 established under subtitle A of the Soil Bank Act, an acreage  
22 equal to two times the acreage by which the original allot-  
23 ment, less the reserve acreage of wheat under such subtitle  
24 A, exceeds the 1956 acreage on the farm of classes of wheat  
25 other than durum wheat (class II) (hereinafter referred



1 to as 'other wheat'), but such increased allotment shall not  
2 exceed the smaller of the cropland on the farm well suited  
3 to wheat or the wheat acreage on the farm: *Provided*, That  
4 for the purposes of this subsection (e), the original allot-  
5 ment, less the reserve acreage of wheat under such subtitle  
6 A, for each farm shall be not less than 15 acres, and varieties  
7 of durum wheat (class II) known as 'Golden Ball' and  
8 'Peliss' shall be regarded as other wheat.

9 "The increases in wheat acreage allotments authorized  
10 by this subsection shall be in addition to the National, State,  
11 and county wheat acreage allotments, and the acreage of  
12 durum wheat (class II) on such increased allotments shall  
13 not be considered in establishing future State, county, and  
14 farm acreage allotments.

15 "The provisions of paragraph (6) of Public Law 74,  
16 77th Congress (7 U. S. C. 1340 (6)), and section 326  
17 (b) of the Agricultural Adjustment Act of 1938, as amended  
18 (7 U. S. C. 1326 (b)), relating to the reduction of the  
19 storage amount of wheat shall apply to the allotment for  
20 the farm established without regard to this subsection (e)  
21 and not to the increased allotment under this subsection."

22 SEC. 202. Section 358 of the Agricultural Adjustment  
23 Act of 1938, as amended (7 U. S. C. 1358), is amended by  
24 deleting the proviso at the end of the last sentence of sub-  
25 section (a).

1        SEC. 203. Section 201 (e) of the Agricultural Act of  
2 1949, as amended, is amended by changing the last sentence  
3 to read as follows: "For the period beginning September 1,  
4 1954, and ending June 30, 1955, not to exceed \$50,000,-  
5 000, for the fiscal year ending June 30, 1956, not to exceed  
6 \$60,000,000, and for each of the two fiscal years in  
7 the period beginning July 1, 1956, and ending June 30,  
8 1958, not to exceed \$75,000,000, of funds of the Com-  
9 modity Credit Corporation shall be used to increase the  
10 consumption of fluid milk by children in nonprofit schools  
11 of high-school grade and under."

12        SEC. 204. (a) Section 403 of the Agricultural Act of  
13 1949, as amended, is amended by striking out the last  
14 sentence thereof.

15        (b) Section 3 (a) of the Act of August 29, 1949 (7  
16 U. S. C. 1301 (b) ) is repealed.

17        SEC. 205. Section 407 of the Agricultural Act of 1949,  
18 as amended, is further amended:

19            (a) by revising the third sentence thereof to read  
20 as follows: "The Corporation shall not sell any basic  
21 agricultural commodity or storable nonbasic commodity  
22 at less than the current support price for such commodity,  
23 plus reasonable carrying charges"; and

24        SEC. 206. (a) Strategic materials acquired by the Com-  
25 modity Credit Corporation as a result of barter or exchange



1 of agricultural commodities or products, unless acquired for  
2 the national stockpile established pursuant to the Strategic  
3 and Critical Materials Stockpile Act (50 U. S. C. 98–98h),  
4 or for other purposes shall be transferred to the supplemental  
5 stockpile established by section 104 (b) of the Agricultural  
6 Trade Development and Assistance Act of 1954 (7 U. S. C.  
7 1704) if within the limits determined for the supplemental  
8 stockpile pursuant to such section 104 (b).

9 (b) Strategic materials acquired by the Commodity  
10 Credit Corporation as a result of barter or exchange of agri-  
11 cultural commodities or products may be entered, or with-  
12 drawn from warehouse, free of duty.

13 SEC. 207. Section 304 of Public Law 480, Eighty-third  
14 Congress (68 Stat. 454), is hereby repealed.

15 SEC. 208. The Secretary of Agriculture is authorized to  
16 appoint an agricultural surplus disposal administrator, at a  
17 salary rate of not exceeding \$15,000 per annum, whose  
18 duties shall include responsibility for activities of the Depart-  
19 ment, including those of Commodity Credit Corporation, re-  
20 lating to the disposal of surplus agricultural commodities.

21 SEC. 209. Chapter 32, subchapter A, part III, subpart  
22 A, of the Internal Revenue Code of 1954, is hereby amended  
23 by adding at the end thereof a new section 4084, reading  
24 as follows:

1   **“SEC. 4084. REFUNDS ON CERTAIN SALES TO FARMERS.**

2       “Under regulations prescribed by the Secretary or his  
3   delegate, any farmer who shall use gasoline for any purpose  
4   in agriculture other than propelling motor vehicles on the  
5   public highways and who shall have paid the tax imposed  
6   under this subpart on such gasoline, either directly or indi-  
7   rectly or by having the tax added to the price of such fuel,  
8   shall, beginning January 1, 1956, be repaid the amount of  
9   such tax upon presenting a claim for refund within 30 days  
10  after June 30 of each year in a form prescribed by the Sec-  
11  retary or his delegate.”





A BILL

To provide for the protection and conservation of national soil, water, and forest resources and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes.

By Mr. HOPE

JANUARY 17, 1956

Referred to the Committee on Agriculture



# S. 2949

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## IN THE SENATE OF THE UNITED STATES

JANUARY 17 (legislative day, JANUARY 16), 1956

Mr. AIKEN (for himself, Mr. YOUNG, Mr. THYE, Mr. HICKENLOOPER, Mr. MUNDT, and Mr. SCHOEPPPEL) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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# A BILL

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2       *tives of the United States of America in Congress assembled,*

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7       mean the Soil Bank Act.

8       SEC. 102. The Congress hereby finds that the produc-  
9       tion of excessive supplies of cultivated agricultural commodi-

1 ties depresses the prices and income of farm families; con-  
2 stitutes improper land use and brings about soil erosion, de-  
3 pletion of soil fertility, and too rapid release of water from  
4 lands where it falls, thereby adversely affecting the national  
5 welfare, impairing the productive facilities necessary for a  
6 continuous and stable supply of agricultural commodities, and  
7 endangering an adequate supply of water for agricultural  
8 and non-agricultural use; overtaxes the facilities of interstate  
9 and foreign transportation; congests terminal markets and  
10 handling and processing centers in the flow of commodities  
11 from producers to consumers; depresses prices in inter-  
12 state and foreign commerce; disrupts the orderly marketing  
13 of commodities in such commerce; and otherwise affects,  
14 burdens, and obstructs interstate and foreign commerce. It  
15 is in the interest of the general welfare that the soil and  
16 water resources of the Nation be not wasted and depleted  
17 in the production of such burdensome surpluses and that  
18 interstate and foreign commerce in agricultural commodities  
19 be protected from excessive supplies. It is hereby declared  
20 to be the policy of the Congress and the purposes of this  
21 Act to protect and increase farm income, to protect the  
22 national soil, water, and forest resources from waste and  
23 depletion, to protect interstate and foreign commerce from  
24 the burdens and obstructions which result from the utiliza-  
25 tion of farm land for the production of excessive supplies of



1 cultivated agricultural commodities, to provide for the con-  
2 servation of such resources and an adequate, balanced, and  
3 orderly flow of such agricultural commodities in interstate  
4 and foreign commerce. To effectuate the policy of Congress  
5 and the purposes of this Act programs are herein authorized  
6 to assist farmers to divert a portion of their cultivated crop-  
7 land from the production of excessive supplies of cultivated  
8 agricultural commodities, and to carry out a program of soil,  
9 water, and forest conservation. The activities authorized  
10 under this Act are supplementary to the acreage allotments  
11 and marketing quotas authorized under the Agricultural Ad-  
12 justment Act of 1938, as amended, and together with such  
13 acreage allotments and marketing quotas, constitute an over-  
14 all program to prevent excessive supplies of cultivated agri-  
15 cultural commodities from burdening and obstructing inter-  
16 state and foreign commerce.

17           SUBTITLE A—ACREAGE RESERVE PROGRAM

18                       TERMS AND CONDITIONS

19       SEC. 103. Notwithstanding any other provision of law,  
20 the Secretary of Agriculture (hereinafter referred to as the  
21 “Secretary”) is authorized and directed to formulate and  
22 carry out an acreage reserve program for the 1956, 1957,  
23 1958, and 1959 crops of wheat, cotton, corn, and rice,  
24 respectively (hereinafter referred to as “the commodity”)  
25 under which producers shall be compensated for reducing

1 their acreages of the commodity below their farm acreage  
2 allotments established under the Agricultural Adjustment  
3 Act of 1938, as amended. To be eligible for such compen-  
4 sation the producer (a) shall reduce his acreage of the  
5 commodity below his farm acreage allotment within such  
6 limits as the Secretary may prescribe, (b) shall specifically  
7 designate the acreage so withdrawn from the production of  
8 such commodity (hereinafter referred to as the "reserve  
9 acreage"), and (c) shall not harvest any crop from, or  
10 graze, the reserve acreage unless the Secretary determines  
11 that it would be in the national interest to permit grazing  
12 and gives consent thereto. The reserve acreage shall be in  
13 addition to any acreage devoted to the conservation reserve  
14 program authorized under subtitle B of this Act. In the  
15 formulation and administration of the acreage reserve pro-  
16 gram the Secretary shall provide adequate safeguards to  
17 protect the interests of tenants and sharecroppers, including  
18 provision for sharing, on a fair and equitable basis, in the  
19 certificates issued pursuant to section 105 hereof. The acre-  
20 age reserve program may include such terms and conditions,  
21 in addition to those specifically provided for herein, as the  
22 Secretary determines are desirable to effectuate the purposes  
23 of this Act and to facilitate the practical administration of  
24 the acreage reserve program.



## EXTENT OF PARTICIPATION IN PROGRAM

SEC. 104. For purposes of the acreage reserve program the Secretary shall establish a national reserve acreage goal for the 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn, and rice, respectively, of not to exceed 30 per centum of the national acreage allotment established for such commodity under the Agricultural Adjustment Act of 1938, as amended. The limits within which individual farms may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments established under the Agricultural Adjustment Act of 1938, as amended, the supply and demand conditions for different classes, grades, and qualities of the commodity, and such other factors as he deems appropriate.

## COMPENSATION OF PRODUCERS

SEC. 105. Producers shall be compensated for participating in the acreage reserve program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in the commodity or in cash in accordance with regulations prescribed by the Secretary. Such

1 compensation shall be at such rate or rates as the Secretary  
2 determines will provide producers with a fair and reasonable  
3 return for reducing their acreage of the commodity, taking  
4 into consideration the loss of production of the commodity  
5 on the reserve acreage, any savings in cost which result  
6 from not planting the commodity on the reserve acreage,  
7 and the incentive necessary to achieve the reserve acreage  
8 goal. Commodities delivered to producers in redemption  
9 of such certificates shall not be eligible for tender to Com-  
10modity Credit Corporation under the price support program.

#### 11 SALES OF CCC STOCKS

12 SEC. 106. The Commodity Credit Corporation is author-  
13 ized to sell at market prices, without regard to sales price  
14 limitations which would otherwise be applicable, a quantity  
15 of the commodity equal in sales value to the cost of redeem-  
16 ing certificates in cash. Such sales shall be made at such  
17 times, in such manner and in such quantities as will minimize  
18 any adverse effect of such sales upon market prices.

#### 19 REDUCTION OF SET-ASIDE

20 SEC. 107. The quantities of cotton and wheat in the  
21 commodity set-aside established pursuant to the Agricultural  
22 Act of 1954 shall be reduced by the estimated quantities of  
23 such commodities which would have been produced on the  
24 reserve acreage if such reserve acreage had been devoted to  
25 the production of such commodities.



## EFFECT ON ACREAGE ALLOTMENTS AND QUOTAS

SEC. 108. (a) In the future establishment of State, county, and farm acreage allotments for wheat, cotton, corn, and rice, respectively, under the Agricultural Adjustment Act of 1938, as amended, reserve acreages applicable to the commodity shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of the commodity.

(b) In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and sections 326 (b) and 356 (g) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1326 (b), 1356 (g)), relating to reduction of the storage amounts of wheat and rice, the reserve acreage of the commodity on any farm shall be regarded as wheat acreage or rice acreage, as the case may be, on the farm.

## SUBTITLE B—CONSERVATION RESERVE PROGRAM

## TERMS AND CONDITIONS

SEC. 109. (a) To effectuate the purposes of this Act the Secretary is hereby authorized to enter into contracts with producers determined by him to have control of the farms for the period covered by the contract wherein the producer shall agree:

(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to

1 grass and trees) or water storage facilities on a specifically  
2 designated acreage of cultivated cropland in the farm.

3 (2) To devote to conserving crops or uses, or allow  
4 to remain idle, throughout the contract period an acreage  
5 of the remaining land in the farm which is not less than the  
6 acreage normally devoted only to conserving crops or uses  
7 or normally allowed to remain idle on the entire farm.

8 (3) Not to harvest any crop from the acreage estab-  
9 lished in protective vegetative cover.

10 (4) Not to pasture the acreage established in protective  
11 vegetative cover prior to January 1, 1959, or such later  
12 date as may be provided in the contract, unless the Secretary  
13 determines that it would be in the national interest to permit  
14 pasturing thereon and gives consent thereto; and if such  
15 acreage is pastured at the end of such period, to pasture such  
16 acreage in accordance with sound pasture management.

17 (5) Not to adopt any practice, as specified by the  
18 Secretary in the contract, tending to defeat the purposes of  
19 the contract.

20 (6) To forfeit all rights to further payments or grants  
21 under the contract and refund to the United States all pay-  
22 ments or grants received thereunder upon his violation of  
23 the contract at any stage during the time he has control  
24 of the farm if the Secretary determines that such violation  
25 is of such a nature as to warrant termination of the contract,



1 or to make such refunds or accept such payment adjustments  
2 as the Secretary may deem appropriate if he determines that  
3 the producer's violation does not warrant termination of the  
4 contract.

5 (7) To such additional provisions as the Secretary de-  
6 termines are desirable and includes in the contract to effectu-  
7 ate the purposes of this Act and to facilitate the practical  
8 administration of the conservation reserve program.

9 (b) In return for such agreement by the producer the  
10 Secretary shall agree:

11 (1) To bear such part of the cost (including labor)  
12 of establishing and maintaining vegetative cover or water  
13 storage facilities on the designated acreage as the Secretary  
14 determines to be necessary to effectuate the purposes of this  
15 Act, but not to exceed a maximum amount per acre or  
16 facility prescribed by the Secretary for the county or area  
17 in which the farm is situated; and

18 (2) To make an annual payment to the producer for  
19 the term of the contract upon determination that he has ful-  
20 filled the provisions of the contract entitling him to such  
21 payment. The rate or rates of the annual payment to be  
22 provided for in the contracts shall be established on such  
23 basis as the Secretary determines will provide producers  
24 with a fair and reasonable annual return on the land estab-

lished in protective vegetative cover or water storage facilities, taking into consideration the value of the land for the production of commodities customarily grown on such kind of land in the county or area, the prevailing rates for cash rentals for similar land in the county or area, the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the conservation reserve program, and such other factors as he deems appropriate. Such rate or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program. No annual payment to any person with respect to land in any one State shall exceed \$5,000.

(c) The Secretary, with the approval of the President, shall determine annually the scope of the program to be conducted under this subtitle B: *Provided*, That no action shall be taken pursuant to this subsection (c) which would cause impairment of any contract existing as of the time such annual determination is made.

#### AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES

SEC. 110. (a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the



1 five-year period 1956–1960 to be carried out during the  
2 period ending not later than December 31, 1969.

3 (b) The period covered by any contract shall not  
4 exceed ten years.

5 TERMINATION AND MODIFICATION OF CONTRACTS

6 SEC. 111. (a) The Secretary may terminate any con-  
7 tract with a producer by mutual agreement with the producer  
8 if the Secretary determines that such termination would be  
9 in the public interest.

10 (b) The Secretary may agree to such modification of  
11 contracts previously entered into as he may determine to  
12 be desirable to carry out the purposes of this Act and to  
13 facilitate the practical administration of the conservation  
14 reserve program.

15 CONSERVATION MATERIALS AND SERVICES

16 SEC. 112. (a) The Secretary may purchase conserva-  
17 tion materials and services and make such materials and  
18 services available to producers under the conservation reserve  
19 program to aid them in establishing vegetative cover or  
20 water storage facilities under contracts authorized by this  
21 subtitle B, may reimburse any Federal, State, or local gov-  
22 ernment agency for conservation materials and services  
23 furnished by such agency, and may pay expenses necessary  
24 in making such materials and services available, including

1 all or part of the costs incident to the delivery, application,  
2 or installation of materials and services.

3 (b) Notwithstanding any other provision of law, in  
4 making conservation materials and services available to pro-  
5 ducers hereunder, the Secretary may make payments, in  
6 advance of determination of performance by the producers,  
7 to persons who fill purchase orders covering approved con-  
8 servation materials or who render services to the Secretary  
9 in furnishing to producers approved conservation materials  
10 or services for the establishment by the producers of vegeta-  
11 tive cover or water storage facilities under contracts author-  
12 ized by this subtitle B. The price at which purchase orders  
13 for any conservation material or service are filled may be  
14 limited, if the Secretary determines that it is necessary in  
15 the interest of producers and the Government, to a fair  
16 price fixed in accordance with regulations prescribed by the  
17 Secretary.

18 EFFECT ON OTHER PROGRAMS

19 SEC. 113. Notwithstanding any other provision of law—

20 (1) insofar as the acreage of cropland on any farm  
21 enters into the determination of acreage allotments and  
22 marketing quotas under the Agricultural Adjustment  
23 Act of 1938, as amended, the cropland acreage on the  
24 farm shall not be decreased during the period of any  
25 contract entered into under the conservation acreage



1 program by reason of the establishment and maintenance  
2 of vegetative cover or water storage facilities under such  
3 contract; and

4 (2) the acreage on any farm which is determined  
5 under regulations of the Secretary to have been diverted  
6 from the production of any commodity subject to acre-  
7 age allotments or marketing quotas in order to carry  
8 out the contract entered into under the conservation  
9 acreage program shall be considered acreage devoted  
10 to the commodity for the purposes of establishing future  
11 State, county, and farm acreage allotments under the  
12 Agricultural Adjustment Act of 1938, as amended.

#### 13 PROTECTION OF TENANTS AND SHARECROPPERS

14 SEC. 114. In the administration of the conservation re-  
15 serve program, the Secretary shall provide adequate safe-  
16 guards to protect the interests of tenants and sharecroppers.

#### 17 GEOGRAPHICAL APPLICABILITY

18 SEC. 115. (a) This subtitle B shall apply to the con-  
19 tinental United States, and, if the Secretary determines it  
20 to be in the national interest, to one or more of the Terri-  
21 tories of Alaska and Hawaii, the Commonwealth of Puerto  
22 Rico, and the Virgin Islands, and, as used in this subtitle  
23 B, the term "State" includes Alaska, Hawaii, Puerto Rico,  
24 and the Virgin Islands.

## 1                   SUBTITLE C—GENERAL PROVISIONS

## 2                               CERTIFICATE OF CLAIMANT

3           SEC. 116. Payment or compensation authorized by this  
4 Act may be made upon the certificate of the claimant, in  
5 such form as the Secretary may prescribe, that he has  
6 complied with all requirements for such payments and that  
7 the statements and information contained in the application  
8 for payment are correct and true, to the best of his knowl-  
9 edge and belief.

## 10                   UTILIZATION OF LOCAL AND STATE COMMITTEES

11          SEC. 117. In administering this Act in the continental  
12 United States, the Secretary shall utilize the services of com-  
13 munity, county, and State committees established under  
14 section 8 of the Soil Conservation and Domestic Allotment  
15 Act, as amended.

## 16                               FINANCING

17          SEC. 118. (a) The Secretary is authorized to utilize  
18 the facilities, services, authorities, and funds of the Com-  
19 modity Credit Corporation in discharging his functions and  
20 responsibilities under this Act, including payment of costs  
21 of administration for the programs authorized under this  
22 Act. There is hereby authorized to be appropriated such  
23 sums as may be necessary to make payments to the Cor-  
24 poration for its actual costs incurred under this section.

25           (b) All funds available for carrying out the purposes



1 of this Act shall be available for transfer to such agencies  
2 of the Federal or State governments as the Secretary may  
3 request to cooperate or assist in carrying out this Act; and  
4 for technical assistance in formulating and carrying out the  
5 programs authorized by this Act. The Secretary may make  
6 such payments in advance of determination of performance.

#### 7 FINALITY OF DETERMINATIONS

8 SEC. 119. The facts constituting the basis for any pay-  
9 ment or compensation, or the amount thereof, authorized to  
10 be made under this Act, when officially determined in con-  
11 formity with applicable regulations prescribed by the Secre-  
12 tary, shall be final and conclusive and shall not be review-  
13 able by any other officer or agency of the Government. In  
14 case any producer who is entitled to any payment or com-  
15 pensation dies, becomes incompetent, or disappears before  
16 receiving such payment or compensation, or is succeeded by  
17 another who renders or completes the required performance,  
18 the payment or compensation shall, without regard to any  
19 other provisions of law, be made as the Secretary may de-  
20 termine to be fair and reasonable in all the circumstances  
21 and so provide by regulations.

#### 22 REGULATIONS

23 SEC. 120. The Secretary shall prescribe such regulations  
24 as he determines necessary to carry out the provision of  
25 this Act.

1 TITLE II—MISCELLANEOUS PROVISIONS AND  
2 AMENDMENTS

3 SEC. 201. Section 334 (e) of the Agricultural Adjust-  
4 ment Act of 1938, as amended (7 U. S. C. 1334 (e) ), is  
5 amended to read as follows:

6 “(e) Notwithstanding any other provision of this Act,  
7 the Secretary shall increase the farm marketing quotas and  
8 acreage allotments for the 1956 crop of wheat for farms  
9 located in counties in the States of California, Minnesota,  
10 Montana, North Dakota, and South Dakota, designated by  
11 the Secretary as counties which (1) are capable of pro-  
12 ducing durum wheat (class II) and (2) have produced  
13 such wheat for commercial food products during one or  
14 more of the 5 years 1951 through 1955. The increase in  
15 the wheat acreage allotment for any farm shall be condi-  
16 tioned upon the production of durum wheat (class II) on  
17 such increased acreage. The increased allotment shall be  
18 determined by adding to the allotment established without  
19 regard to this subsection (hereinafter referred to as the  
20 ‘original allotment’), less the reserve acreage of wheat estab-  
21 lished under subtitle A of the Soil Bank Act, an acreage  
22 equal to two times the acreage by which the original allot-  
23 ment, less the reserve acreage of wheat under such subtitle  
24 A, exceeds the 1956 acreage on the farm of classes of wheat  
25 other than durum wheat (class II) (hereinafter referred to



1 as 'other wheat'), but such increased allotment shall not  
2 exceed the smaller of the cropland on the farm well suited  
3 to wheat or the wheat acreage on the farm: *Provided*, That  
4 for the purposes of this subsection (e), the original allot-  
5 ment, less the reserve acreage of wheat under such subtitle  
6 A, for each farm shall be not less than fifteen acres, and  
7 varieties of durum wheat (class II) known as 'Golden  
8 Ball' and 'Peliss' shall be regarded as other wheat.

9 "The increases in wheat acreage allotments authorized  
10 by this subsection shall be in addition to the National, State,  
11 and county wheat acreage allotments, and the acreage of  
12 durum wheat (class II) on such increased allotments shall  
13 not be considered in establishing future State, county, and  
14 farm acreage allotments.

15 "The provisions of paragraph (6) of Public Law 74,  
16 Seventy-seventh Congress (7 U. S. C. 1340 (6)), and  
17 section 326 (b) of the Agricultural Adjustment Act of  
18 1938, as amended (7 U. S. C. 1326 (b)), relating to the  
19 reduction of the storage amount of wheat shall apply to the  
20 allotment for the farm established without regard to this  
21 subsection (e) and not to the increased allotment under  
22 this subsection."

23 SEC. 202. Section 335 (e) of the Agricultural Adjust-  
24 ment Act of 1938, as amended (7 U. S. C. 1335 (e)),  
25 is amended effective beginning with the 1957 crop by chang-

1 ing the first sentence thereof to read as follows: "If, for any  
2 marketing year, the acreage allotment for wheat for any  
3 State is two hundred and forty thousand acres or less, the  
4 Secretary, in order to promote efficient administration of the  
5 Act and the Agricultural Act of 1949, may designate such  
6 State as outside the commercial wheat-producing area for  
7 such marketing year."

8 SEC. 203. Section 358 of the Agricultural Adjustment  
9 Act of 1938, as amended (7 U. S. C. 1358), is amended  
10 by deleting the proviso at the end of the last sentence of  
11 subsection (a).

12 SEC. 204. Section 201 (c) of the Agricultural Act of  
13 1949, as amended, is amended by changing the last sentence  
14 to read as follows: "For the period beginning September 1,  
15 1954, and ending June 30, 1955, not to exceed \$50,000,000,  
16 for the fiscal year ending June 30, 1956, not to exceed  
17 \$60,000,000, and for each of the two fiscal years in the  
18 period beginning July 1, 1956, and ending June 30, 1958,  
19 not to exceed \$75,000,000, of funds of the Commodity  
20 Credit Corporation shall be used to increase the consumption  
21 of fluid milk by children in nonprofit schools of high-school  
22 grade and under."

23 SEC. 205. (a) Section 403 of the Agricultural Act of  
24 1949, as amended, is amended by striking out the last  
25 sentence thereof:



1 (b) Section 3 (a) of the Act of August 29, 1949 (7  
2 U. S. C. 1301 (b) ), is repealed.

3 SEC. 206. Section 407 of the Agricultural Act of 1949,  
4 as amended, is further amended—

5 (a) by revising the third sentence thereof to read  
6 as follows: “The Corporation shall not sell any basic  
7 agricultural commodity or storable nonbasic commodity  
8 at less than the current support price for such com-  
9 modity, plus reasonable carrying charges.”; and

10 (b) by adding at the end of the section the  
11 following: “Notwithstanding the foregoing restrictions,  
12 the Corporation may sell annually not to exceed  
13 100,000,000 bushels of less desirable milling quality  
14 wheat for feeding purposes, provided that in establish-  
15 ing the sales price of such wheat due consideration shall  
16 be given to the feeding value of wheat and to the effect  
17 that such sales of wheat will have on the price of feed  
18 grains.”

19 SEC. 207. (a) Strategic materials acquired by the Com-  
20modity Credit Corporation as a result of barter or exchange  
21 of agricultural commodities or products, unless acquired for  
22 the national stockpile established pursuant to the Strategic  
23 and Critical Materials Stockpile Act (50 U. S. C. 98–98h),  
24 or for other purposes shall be transferred to the supplemental  
25 stockpile established by section 104 (b) of the Agricultural

1 Trade Development and Assistance Act of 1954 (7 U. S. C.  
2 1704) if within the limits determined for the supplemental  
3 stockpile pursuant to such section 104 (b).

4 (b) Strategic materials acquired by the Commodity  
5 Credit Corporation as a result of barter or exchange of agri-  
6 cultural commodities or products may be entered, or with-  
7 drawn from warehouse, free of duty.

8 SEC. 208. Section 304 of Pubic Law 480, Eighty-third  
9 Congress (68 Stat. 454) is hereby repealed.

10 SEC. 209. The Secretary of Agricuture is authorized to  
11 appoint an agricultural surplus disposal administrator, at a  
12 salary rate of not exceeding \$15,000 per annum, whose duties  
13 shall include responsibility for activities of the Department,  
14 including those of Commodity Credit Corporation, relating to  
15 the disposal of surplus agricultural commodities.

16 SEC. 210. Chapter 32, subchapter A, part III, subpart  
17 A, of the Internal Revenue Code of 1954, is hereby amended  
18 by adding at the end thereof a new section 4084, reading  
19 as follows:

20 **“SEC. 4084. REFUNDS ON CERTAIN SALES TO FARMERS**

21 “Under regulations prescribed by the Secretary or his  
22 delegate, any farmer who shall use gasoline for any purpose  
23 in agriculture other than propelling motor vehicles on the  
24 public highways and who shall have paid the tax imposed  
25 under this subpart on such gasoline, either directly or in-



1 directly or by having the tax added to the price of such fuel,  
2 shall, beginning January 1, 1956, be repaid the amount of  
3 such tax upon presenting a claim for refund within 30 days  
4 after June 30 of each year in a form prescribed by the  
5 Secretary or his delegate.”

A BILL

To provide for the protection and conservation of national soil, water, and forest resources and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes.

By Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. HICKENLOOPER, Mr. MUNDT, and Mr. SCHORPPEL

JANUARY 17 (legislative day, JANUARY 16), 1956  
Read twice and referred to the Committee on  
Agriculture and Forestry



(COMMITTEE PRINT)

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A BILL

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# A BILL

TO AMEND THE ACT RELATIVE TO THE  
REGISTRATION OF VOTERS, PASSED  
MARCH TWENTY, ONE THOUSAND  
EIGHT HUNDRED AND SEVEN,  
AS AMENDED, AND TO REPEAL  
THE ACT RELATIVE TO THE  
REGISTRATION OF VOTERS, PASSED  
MARCH TWENTY, ONE THOUSAND  
EIGHT HUNDRED AND SEVEN,  
AS AMENDED, IN SO FAR AS  
THE SAME RELATES TO THE  
REGISTRATION OF VOTERS.



# [COMMITTEE PRINT]

FEBRUARY 6, 1956

84TH CONGRESS  
2D SESSION

## S.

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### IN THE SENATE OF THE UNITED STATES

FEBRUARY , 1956

Mr. ----- introduced the following bill; which was read twice and referred  
to the Committee on Agriculture and Forestry

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## A BILL

To provide an improved farm program.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That this Act may be cited as the "Agricultural Act of  
4     1956".

### TITLE I—PRICE SUPPORT

#### PRICE SUPPORT LEVELS—BASIC COMMODITIES

7     SEC. 101. Section 101 (d) (6) of the Agricultural  
8     Act of 1949, as amended, is amended to read as follows:

9             “(6) except as provided in section 402, the level  
10     of support to cooperators shall be 90 per centum of the  
11     parity price for the 1956 and 1957 crops of any basic

1 agricultural commodity other than wheat if producers  
2 have not disapproved marketing quotas therefor;”

3 PRICE SUPPORTS—MILLING QUALITY WHEAT

4 SEC. 102. Section 101 (d) (6) of the Agricultural  
5 Act of 1949, as amended, is amended by adding at the end  
6 thereof the following:

7 “(8) if producers have not disapproved marketing  
8 quotas for the crop, (A) the support price to coopera-  
9 tors for milling quality wheat shall be established upon  
10 the basis of a support level for the crop of 90 per cen-  
11 tum of the parity price for wheat, and (B) the sup-  
12 port price to cooperators for any other wheat shall  
13 be established at not less than its value for feed on the  
14 basis of the support price for other feed grains; but in no  
15 event shall the average support price to cooperators for  
16 all wheat (based upon anticipated production) be less  
17 than 75 per centum of its parity price. For the pur-  
18 poses of this paragraph milling quality wheat shall be  
19 wheat produced in any area from seed of a variety  
20 which in such area normally produces wheat of a qual-  
21 ity desired for milling purposes. In determining milling  
22 quality wheat, the Secretary shall consult with a com-  
23 mittee appointed by him and composed of three rep-  
24 resentatives from each of the principal wheat-producing  
25 areas. Of the three representatives from each area,



one shall be a wheat farmer, one shall be a wheat miller, and one shall be a person experienced in research on wheat varieties. At least one of the millers on the committee shall have had experience in producing semolina flour. Wheat of the 1956 crop planted in any area shall be milling quality wheat for the purposes of this paragraph, unless such wheat is of a variety which was designated as undesirable in such area by the Department of Agriculture prior to the time such wheat was planted.”

#### PRICE SUPPORTS—COTTONSEED AND SOYBEANS

SEC. 103. Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section as follows:

“SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.”

#### STANDARD GRADE FOR COTTON

SEC. 104. (a) Section 403 of the Agricultural Act of 1949, as amended, is amended by striking out the last sentence thereof.

(b) Section 3 (a) of the Act of August 29, 1949 (7 U. S. C. 1301 (b) ), is repealed.

1 EFFECTIVE DATE

2 SEC. 105. This title shall take effect with the 1956 crops.

3 TITLE II—SOIL BANK ACT

4 SHORT TITLE

5 SEC. 201. This title may be cited as the “Soil Bank  
6 Act”, and the term “this Act” when used in this title shall  
7 mean the Soil Bank Act.

8 DECLARATION OF POLICY

9 SEC. 202. The Congress hereby finds that the produc-  
10 tion of excessive supplies of cultivated agricultural commodi-  
11 ties depresses the prices and income of farm families; con-  
12 stitutes improper land use and brings about soil erosion, de-  
13pletion of soil fertility, and too rapid release of water from  
14 lands where it falls, thereby adversely affecting the national  
15 welfare, impairing the productive facilities necessary for a  
16 continuous and stable supply of agricultural commodities, and  
17 endangering an adequate supply of water for agricultural  
18 and non-agricultural use; overtaxes the facilities of interstate  
19 and foreign transportation; congests terminal markets and  
20 handling and processing centers in the flow of commodities  
21 from producers to consumers; depresses prices in inter-  
22 state and foreign commerce; disrupts the orderly marketing  
23 of commodities in such commerce; and otherwise affects,  
24 burdens, and obstructs interstate and foreign commerce. It  
25 is in the interest of the general welfare that the soil and



1 water resources of the Nation be not wasted and depleted  
2 in the production of such burdensome surpluses and that  
3 interstate and foreign commerce in agricultural commodities  
4 be protected from excessive supplies. It is hereby declared  
5 to be the policy of the Congress and the purposes of this  
6 Act to protect and increase farm income, to protect the  
7 national soil, water, and forest and wildlife resources from  
8 waste and depletion, to protect interstate and foreign com-  
9 merce from the burdens and obstructions which result from  
10 the utilization of farm land for the production of excessive  
11 supplies of cultivated agricultural commodities, and to pro-  
12 vide for the conservation of such resources and an adequate,  
13 balanced, and orderly flow of such agricultural commodities  
14 in interstate and foreign commerce. To effectuate the policy  
15 of Congress and the purposes of this Act programs are  
16 herein authorized to assist farmers to divert a portion of  
17 their cultivated cropland from the production of excessive  
18 supplies of cultivated agricultural commodities, and to carry  
19 out a program of soil, water, forest and wildlife con-  
20 servation. The activities authorized under this Act are  
21 supplementary to the acreage allotments and marketing  
22 quotas authorized under the Agricultural Adjustment Act  
23 of 1938, as amended, and together with such acreage allot-  
24 ments and marketing quotas, constitute an overall program  
25 to prevent excessive supplies of cultivated agricultural com-

1 modities from burdening and obstructing interstate and  
2 foreign commerce.

3           SUBTITLE A—ACREAGE RESERVE PROGRAM

4                           TERMS AND CONDITIONS

5           SEC. 203. Notwithstanding any other provision of law,  
6 the Secretary of Agriculture (hereinafter referred to as the  
7 “Secretary”) is authorized and directed to formulate and  
8 carry out an acreage reserve program for the 1956, 1957,  
9 1958, and 1959 crops of wheat, cotton, corn, rice, and cigar  
10 binder tobacco types 51, 52, 54, and 55, respectively (here-  
11 inafter referred to as “the commodity”) under which pro-  
12 ducers shall be compensated for reducing their acreages of  
13 the commodity below their farm acreage allotments estab-  
14 lished under the Agricultural Adjustment Act of 1938, as  
15 amended. To be eligible for such compensation the producer  
16 (a) shall reduce his acreage of the commodity below his  
17 farm acreage allotment within such limits as the Secretary  
18 may prescribe, (b) shall specifically designate the acreage  
19 so withdrawn from the production of such commodity (here-  
20 inafter referred to as the “reserve acreage”), and (c) shall  
21 not harvest any crop from, or graze, the reserve acreage  
22 unless the Secretary determines that it would be in the  
23 national interest to permit grazing and gives consent thereto.  
24 The reserve acreage shall be in addition to any acreage



1 devoted to the conservation reserve program authorized  
2 under subtitle B of this Act. In the formulation and ad-  
3 ministration of the acreage reserve program the Secretary  
4 shall provide adequate safeguards to protect the interests of  
5 tenants and sharecroppers, including provision for sharing,  
6 on a fair and equitable basis, in the certificates issued pur-  
7 suant to section 205 hereof. The acreage reserve program  
8 may include such terms and conditions, in addition to those  
9 specifically provided for herein, including provisions relating  
10 to control of noxious weeds on the reserve acreage, as the  
11 Secretary determines are desirable to effectuate the purposes  
12 of this Act and to facilitate the practical administration of  
13 the acreage reserve program.

14       EXTENT OF PARTICIPATION IN PROGRAM

15       SEC. 204. For purposes of the acreage reserve program  
16 the Secretary shall establish a national reserve acreage goal  
17 for the 1956, 1957, 1958, and 1959 crops of wheat, cotton,  
18 corn, rice, and cigar binder tobacco types 51, 52, 54, and  
19 55, respectively. The limits within which individual farms  
20 may participate in the acreage reserve program shall be  
21 established in such manner as the Secretary determines is  
22 reasonably calculated to achieve the national reserve acreage  
23 goal and give producers a fair and equitable opportunity  
24 to participate in the acreage reserve program, taking into

1 consideration their acreage allotments, established under the  
2 Agricultural Adjustment Act of 1938, as amended, the  
3 supply and demand conditions for different classes, grades,  
4 and qualities of the commodity, and such other factors as  
5 he deems appropriate.

6                                   COMPENSATION OF PRODUCERS

7       SEC. 205. (a) Producers shall be compensated for par-  
8 ticipating in the acreage reserve program for any commodity  
9 through the issuance of negotiable certificates which the  
10 Commodity Credit Corporation shall redeem in such com-  
11 modity or in cash in accordance with regulations prescribed  
12 by the Secretary. Such compensation shall be at such rate  
13 or rates as the Secretary determines will provide producers  
14 with a fair and reasonable return for reducing their acreage  
15 of the commodity, taking into consideration the loss of pro-  
16 duction of the commodity on the reserve acreage, any sav-  
17 ings in cost which result from not planting the commodity  
18 on the reserve acreage, and the incentive necessary to  
19 achieve the reserve acreage goal. Commodities delivered  
20 to producers in redemption of such certificates shall not be  
21 eligible for tender to Commodity Credit Corporation under  
22 the price support program.

23       (b) The total compensation paid producers for partici-  
24 pating in the acreage reserve program with respect to any  
25 year's crops shall not exceed \$575,000,000.



1 SALES OF COMMODITY CREDIT CORPORATION STOCKS OF  
2 COTTON

3 SEC. 206. The Commodity Credit Corporation is author-  
4 ized to sell, during each year of the acreage reserve program,  
5 at not less than the current support price plus reasonable  
6 carrying charges, or the market price, whichever is higher,  
7 a quantity of cotton equal to the estimated quantity of cotton  
8 which would have been produced on the reserve acreage for  
9 cotton for such year if such reserve acreage had been devoted  
10 to the production of cotton. Such sales shall be made to or  
11 through the regular trade at such times, in such manner, and  
12 in such quantities as will minimize any adverse effect of  
13 such sales upon market prices.

14 EFFECT ON ACREAGE ALLOTMENTS AND QUOTAS

15 SEC. 207. (a) In the future establishment of State,  
16 county, and farm acreage allotments for wheat, cotton, corn,  
17 rice, and cigar binder tobacco types 51, 52, 54, and 55, re-  
18 spectively, under the Agricultural Adjustment Act of 1938,  
19 as amended, reserve acreages applicable to the commodity  
20 shall be credited to the State, county, and farm as though  
21 such acreage had actually been devoted to the production of  
22 the commodity.

23 (b) In applying the provisions of paragraph (6) of  
24 Public Law 74, Seventy-seventh Congress (7 U. S. C.  
25 1340 (6)), and sections 326 (b) and 356 (g) of the

1 Agricultural Adjustment Act of 1938, as amended (7  
2 U. S. C. 1326 (b), 1356 (g) ), relating to reduction of  
3 the storage amounts of wheat and rice, the reserve acreage  
4 of the commodity on any farm shall be regarded as wheat  
5 acreage or rice acreage, as the case may be, on the farm.

6 SUBTITLE B—CONSERVATION RESERVE PROGRAM

7 TERMS AND CONDITIONS

8 SEC. 208. (a) To effectuate the purposes of this Act  
9 the Secretary is hereby authorized to enter into contracts  
10 with producers determined by him to have control for the  
11 contract period of the farms covered by the contract wherein  
12 the producer shall agree:

13 (1) To establish and maintain for the contract period  
14 protective vegetative cover (including but not limited to  
15 grass and trees), water storage facilities, or other soil, water,  
16 wildlife, or forest conserving uses on a specifically designated  
17 acreage of cultivated cropland in the farm (including land  
18 not in cultivation at the time of contract if (A) it would be  
19 cultivated in the course of normal crop rotation, (B) the  
20 acreage annually cultivated is reduced by the amount of  
21 such land, and (C) the acreage normally unused or idle is  
22 not reduced).

23 (2) To devote to conserving crops or uses, or allow  
24 to remain idle, throughout the contract period an acreage  
25 of the remaining land in the farm which is not less than the



1 acreage normally devoted only to conserving crops or uses  
2 or normally allowed to remain idle on the entire farm.

3 (3) Not to harvest any crop from the acreage estab-  
4 lished in protective vegetative cover, excepting timber (in  
5 accordance with sound forestry management) and wildlife  
6 or other natural products of such acreage which do not  
7 increase supplies of feed for domestic animals.

8 (4) Not to pasture any acreage established in protective  
9 vegetative cover prior to January 1, 1959, or such later  
10 date as may be provided in the contract, unless the Secretary,  
11 after advising the Committee on Agriculture and Forestry of  
12 the Senate and the Committee on Agriculture of the House  
13 of Representatives that a critical feed situation exists in the  
14 area in which such acreage is located on account of drouth,  
15 flood, or other natural disaster, determines that it would be  
16 in the national interest to permit pasturing thereon and gives  
17 consent thereto; and if such acreage is pastured at the end  
18 of such period, to pasture such acreage during the remainder  
19 of the period covered by the contract in accordance with  
20 sound pasture management.

21 (5) Not to adopt any practice, or divert lands on the  
22 farm from conservation, woods, pasture, or other use to any  
23 use, specified by the Secretary in the contract as a practice  
24 or use which would tend to defeat the purposes of the  
25 contract.

1       (6) To forfeit all rights to further payments or grants  
2 under the contract and refund to the United States all pay-  
3 ments or grants received thereunder upon his violation of  
4 the contract at any stage during the time he has control  
5 of the farm if the Secretary determines that such violation  
6 is of such a nature as to warrant termination of the contract,  
7 or to make such refunds or accept such payment adjustments,  
8 or forfeit such price support benefits, as the Secretary may  
9 deem appropriate if he determines that the producer's viola-  
10 tion does not warrant termination of the contract.

11       (7) To such additional provisions as the Secretary de-  
12 termines are desirable and includes in the contract to effectu-  
13 ate the purposes of this Act and to facilitate the practical  
14 administration of the conservation reserve program, includ-  
15 ing provisions relating to control of noxious weeds.

16       (b) In return for such agreement by the producer the  
17 Secretary shall agree:

18       (1) To bear such part of the cost (including labor)  
19 of establishing and maintaining vegetative cover or water  
20 storage facilities, or other soil, water, wildlife, or forest  
21 conserving uses, on the designated acreage as the Secretary  
22 determines to be necessary to effectuate the purposes of this  
23 Act, but not to exceed a maximum amount per acre or  
24 facility prescribed by the Secretary for the county or area  
25 in which the farm is situated; and



1       (2) To make an annual payment to the producer for  
2 the term of the contract upon determination that he has ful-  
3 filled the provisions of the contract entitling him to such  
4 payment. The rate or rates of the annual payment to be  
5 provided for in the contracts shall be established on such  
6 basis as the Secretary determines will provide producers  
7 with a fair and reasonable annual return on the land estab-  
8 lished in protective vegetative cover or water storage facili-  
9 ties, or other soil, water, wildlife, or forest conserving  
10 uses, taking into consideration the value of the land for the  
11 production of commodities customarily grown on such kind  
12 of land in the county or area, the prevailing rates for cash  
13 rentals for similar land in the county or area, the incentive  
14 necessary to obtain contracts covering sufficient acreage for  
15 the substantial accomplishment of the purposes of the con-  
16 servation reserve program, and such other factors as he  
17 deems appropriate. Such rate or rates may be determined  
18 on an individual farm basis, a county or area basis, or such  
19 other basis as the Secretary determines will facilitate the  
20 practical administration of the program. No annual pay-  
21 ment to any person with respect to land in any one State  
22 shall exceed \$5,000.

23       (c) In determining the lands in any area to be covered  
24 by contracts entered into under this section, the Secretary  
25 may use advertising and bid procedure if he determines that

1 such action will contribute to the effective and equitable  
2 administration of the conservation reserve program.

3 CONSERVATION RESERVE GOAL

4 SEC. 209. (a) The Secretary shall not later than Febru-  
5 ary 1 of each year determine and announce the national  
6 conservation reserve goal for such year. Such goal shall  
7 be that percentage which the Secretary determines it is prac-  
8 ticable to cover by contracts during such year of the number  
9 of acres, if any, by which (1) the acreage used for the pro-  
10 duction of cultivated agricultural commodities during the  
11 year in which such determination is made, plus any acreage  
12 then in the acreage or conservation reserve program or re-  
13 tired from production as a result of acreage allotments or  
14 marketing quotas, exceeds (2) the acreage needed during  
15 the year for which such determination is made for the pro-  
16 duction of agricultural commodities for domestic consumption  
17 and export and to maintain adequate reserves to meet emer-  
18 gency requirements. In making the determination referred  
19 to in clause (2) for any year, stocks of agricultural com-  
20 modities on hand from prior years shall be taken into con-  
21 sideration only to such extent as is necessary to provide for  
22 the orderly liquidation of such stocks over a reasonable  
23 period of years and as will not result in undue hardship to  
24 producers. As soon as practicable after the enactment of this



1 Act the Secretary shall determine the national conservation  
2 acreage goal for 1956.

3 (b) In distributing the national acreage goal among the  
4 various States and major crop production regions, the Secre-  
5 tary shall give due regard to the respective needs of the  
6 various States and regions for flood control, drought control,  
7 and other conservation benefits; the desires of producers in  
8 particular States or regions to participate in the conservation  
9 program; the diversion of acreage from crops under acreage  
10 allotments or marketing quotas; the need to assure adequate  
11 production of agricultural commodities and products not in  
12 surplus and to discourage the production of agricultural com-  
13 modities and products in surplus.

14 (c) The Secretary shall transmit to the Congress an-  
15 nually a report of the scope of the conservation reserve pro-  
16 gram for such year and the basis for participation in such  
17 program in the various States and major crop production  
18 regions of the country.

19 AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES

20 SEC. 210. (a) The Secretary is authorized to formu-  
21 late and announce programs under this subtitle B and to  
22 enter into contracts thereunder with producers during the  
23 five-year period 1956-1960 to be carried out during the  
24 period ending not later than December 31, 1969.

1       (b) The period covered by any contract shall not  
2 exceed ten years.

3       (c) In carrying out the conservation reserve program,  
4 the Secretary shall not enter into contracts with producers  
5 which would require payments to producers, including the  
6 costs of materials and services, in excess of \$350,000,000  
7 in any calendar year.

8           TERMINATION AND MODIFICATION OF CONTRACTS

9       SEC. 211. (a) The Secretary may terminate any con-  
10 tract with a producer by mutual agreement with the producer  
11 if the Secretary determines that such termination would be  
12 in the public interest.

13       (b) The Secretary may agree to such modification of  
14 contracts previously entered into as he may determine to  
15 be desirable to carry out the purposes of this Act and to  
16 facilitate the practical administration of the conservation  
17 reserve program.

18           CONSERVATION MATERIALS AND SERVICES

19       SEC. 212. (a) The Secretary may purchase conserva-  
20 tion materials and services and make such materials and  
21 services available to producers under the conservation reserve  
22 program to aid them in establishing vegetative cover or  
23 water storage facilities, or other soil, water, wildlife, or  
24 forest conserving uses, under contracts authorized by this  
25 subtitle B, may reimburse any Federal, State, or local gov-



1 ernment agency for conservation materials and services  
2 furnished by such agency, and may pay expenses necessary  
3 in making such materials and services available, including  
4 all or part of the costs incident to the delivery, application,  
5 or installation of materials and services.

6 (b) Notwithstanding any other provision of law, in  
7 making conservation materials and services available to pro-  
8 ducers hereunder, the Secretary may make payments, in  
9 advance of determination of performance by the producers,  
10 to persons who fill purchase orders covering approved con-  
11 servation materials or who render services to the Secretary  
12 in furnishing to producers approved conservation materials  
13 or services for the establishment by the producers of vegeta-  
14 tive cover or water storage facilities, or other soil, water,  
15 wildlife, or forest conserving uses, under contracts author-  
16 ized by this subtitle B. The price at which purchase orders  
17 for any conservation material or service are filled may be  
18 limited, if the Secretary determines that it is necessary in  
19 the interest of producers and the Government, to a fair  
20 price fixed in accordance with regulations prescribed by the  
21 Secretary.

#### 22 EFFECT ON OTHER PROGRAMS

23 SEC. 213. Notwithstanding any other provision of law—

24 (1) insofar as the acreage of cropland on any farm  
25 enters into the determination of acreage allotments and

1 marketing quotas under the Agricultural Adjustment  
2 Act of 1938, as amended, the cropland acreage on the  
3 farm shall not be decreased during the period of any  
4 contract entered into under the conservation acreage  
5 program by reason of the establishment and maintenance  
6 of vegetative cover or water storage facilities, or other  
7 soil, water, wildlife, or forest conserving uses, under such  
8 contract; and

9 (2) the acreage on any farm which is determined  
10 under regulations of the Secretary to have been diverted  
11 from the production of any commodity subject to acre-  
12 age allotments or marketing quotas in order to carry  
13 out the contract entered into under the conservation  
14 acreage program shall be considered acreage devoted  
15 to the commodity for the purposes of establishing future  
16 State, county, and farm acreage allotments under the  
17 Agricultural Adjustment Act of 1938, as amended.

18 PROTECTION OF TENANTS AND SHARECROPPERS

19 SEC. 214. In the administration of the conservation re-  
20 serve program, the Secretary shall provide adequate safe-  
21 guards to protect the interests of tenants and sharecroppers.

22 GEOGRAPHICAL APPLICABILITY

23 SEC. 215. This subtitle B shall apply to the continental  
24 United States, and, if the Secretary determines it to be in



1 the national interest, to one or more of the Territories of  
2 Alaska and Hawaii, the Commonwealth of Puerto Rico, and  
3 the Virgin Islands; and as used in this subtitle B, the term  
4 "State" includes Alaska, Hawaii, Puerto Rico, and the  
5 Virgin Islands.

## 6 SUBTITLE C—GENERAL PROVISIONS

### 7 COMPLIANCE WITH ACREAGE ALLOTMENTS

8 SEC. 216. No person shall be eligible for payments of  
9 compensation under this Act with respect to any farm for any  
10 year in which the acreage planted to any basic agricultural  
11 commodity on the farm exceeds the farm acreage allotment  
12 for the commodity under title III of the Agricultural Adjust-  
13 ment Act of 1938, as amended. For the purpose of this  
14 section, a producer shall not be deemed to have exceeded his  
15 farm acreage allotment unless such producer knowingly  
16 exceeded such allotment.

### 17 CERTIFICATE OF CLAIMANT

18 SEC. 217. Payment or compensation authorized by this  
19 Act may be made upon the certificate of the claimant, in  
20 such form as the Secretary may prescribe, that he has com-  
21 plied with all requirements for such payments and that the  
22 statements and information contained in the application for  
23 payment are correct and true, to the best of his knowledge  
24 and belief.

## 1 UTILIZATION OF LOCAL AND STATE COMMITTEES

2 SEC. 218. In administering this Act in the continental  
3 United States, the Secretary shall utilize the services of com-  
4 munity, county, and State committees established under sec-  
5 tion 8 of the Soil Conservation and Domestic Allotment Act,  
6 as amended.

7 UTILIZATION OF SOIL CONSERVATION DISTRICTS AND  
8 SOIL CONSERVATION SERVICE

9 SEC. 219. With respect to conservation aspects of any  
10 program under this Act, the Secretary shall call upon soil  
11 conservation districts and other appropriate agencies of State  
12 governments to participate in the formulation of program  
13 provisions at the State and county levels. The technical re-  
14 sources of the Soil Conservation Service and of the soil con-  
15 servation districts shall be utilized to assure coordination  
16 of conservation activities and a solid technical foundation  
17 for the program.

## 18 UTILIZATION OF LAND USE CAPABILITY DATA

19 SEC. 220. In administering this title the Secretary shall  
20 utilize to the fullest practicable extent land use capability  
21 data, and shall carry forward to completion as rapidly as  
22 possible the basic land inventory of the Nation.

## 23 FINANCING

24 SEC. 221. (a) The Secretary is authorized to utilize  
25 the facilities, services, authorities, and funds of the Com-



1 modify Credit Corporation in discharging his functions and  
2 responsibilities under this Act, including payment of costs  
3 of administration for the programs authorized under this  
4 Act. There is hereby authorized to be appropriated such  
5 sums as may be necessary to make payments to the Cor-  
6 poration for its actual costs incurred under this section.

7 (b) All funds available for carrying out the purposes  
8 of this Act shall be available for transfer to such agencies  
9 of the Federal or State governments as the Secretary may  
10 request to cooperate or assist in carrying out this Act; and  
11 for technical assistance in formulating and carrying out the  
12 programs authorized by this Act. The Secretary may make  
13 such payments in advance of determination of performance.

#### 14 FINALITY OF DETERMINATIONS

15 SEC. 222. The facts constituting the basis for any pay-  
16 ment or compensation, or the amount thereof, authorized to  
17 be made under this Act, when officially determined in con-  
18 formity with applicable regulations prescribed by the Secre-  
19 tary, shall be final and conclusive and shall not be review-  
20 able by any other officer or agency of the Government. In  
21 case any producer who is entitled to any payment or com-  
22 pensation dies, becomes incompetent, or disappears before  
23 receiving such payment or compensation, or is succeeded by  
24 another who renders or completes the required performance,  
25 the payment or compensation shall, without regard to any

1 other provisions of law, be made as the Secretary may de-  
2 termine to be fair and reasonable in all the circumstances  
3 and so provide by regulations.

4 REGULATIONS

5 SEC. 223. The Secretary shall prescribe such regulations  
6 as he determines necessary to carry out the provision of  
7 this Act.

8 TITLE IV—SURPLUS DISPOSAL

9 NATIONAL SECURITY RESERVE

10 SEC. 401. (a) Notwithstanding the provisions of sec-  
11 tion 102 of the Agricultural Act of 1954, the quantity of  
12 cotton and wheat in the commodity set-aside created pur-  
13 suant to section 101 of that Act shall be increased to the  
14 maximum quantity provided therein, and there shall be added  
15 to such set-aside 250,000,000 bushels of corn.

16 (b) The second sentence in section 101 of the Agri-  
17 cultural Act of 1954 is amended to read as follows:

18 “Such quantities shall be known as the ‘national security  
19 reserve’.”

20 (c) Section 103 of the Agricultural Act of 1954, as  
21 amended, is amended to read as follows:

22 “SEC. 103. (a) The national security reserve shall not  
23 be reduced except (1) on order of the President at any time  
24 when in his judgment such reduction is required for purposes



1 of the common defense, (2) in time of war or during a na-  
2 tional emergency with respect to common defense proclaimed  
3 by the President, on order of such agency as may be desig-  
4 nated by the President, or (3) on order of the President,  
5 by transfer to the national stockpile established pursuant to  
6 the Act of June 7, 1939, as amended (50 U. S. C. 98-98h).

7 “(b) If the quantity of any commodity or product in  
8 the national security reserve is reduced by natural or other  
9 cause beyond the control of the Corporation, there shall be  
10 restored to the national security reserve at the earliest prac-  
11 ticable date an amount of such commodity or product equal  
12 to the amount of such reduction.”

13 (d) The last sentence of section 105 of the Agricultural  
14 Act of 1954, as amended, is amended by striking out “1955”  
15 and inserting “1956”.

16 (e) The last sentence in section 102 (a) of the Agri-  
17 cultural Trade Development and Assistance Act of 1954, as  
18 amended, is repealed.

19 PROGRAM OF ORDERLY LIQUIDATION

20 SEC. 402. (a) The Commodity Credit Corporation  
21 shall, as rapidly as possible consistent with its existing au-  
22 thority, the operation of the price support program, and  
23 orderly liquidation, dispose of all stocks of agricultural com-  
24 modities held by it in excess of those required to provide  
25 adequate reserves for current domestic consumption and

1 export and for the national security (hereinafter referred  
2 to as "surplus commodities").

3 (b) The Secretary shall submit a detailed program for  
4 the disposition of surplus commodities as required by subsec-  
5 tion (a) to Congress within thirty days after the enactment  
6 of this Act and shall report annually thereafter on his opera-  
7 tions under subsection (a). Such programs and annual  
8 reports shall show—

9 (1) the quantities of surplus commodities on hand;

10 (2) the methods of disposition utilized and the  
11 quantities disposed of during the preceding twelve  
12 months;

13 (3) the methods of disposition to be utilized and  
14 the estimated quantities that can be disposed of during  
15 the succeeding twelve months;

16 (4) a detailed program for the expansion of mar-  
17 kets for surplus agricultural commodities through  
18 marketing and utilization research and improvement of  
19 marketing facilities; and

20 (5) recommendations for additional legislation  
21 necessary to accomplish the purposes of this section.

22 REESTABLISHMENT OF HISTORIC SHARE OF WORLD COTTON

23 MARKET

24 SEC. 403. In furtherance of the current policy of the  
25 Commodity Credit Corporation of offering surplus agri-



1 cultural commodities for sale for export at competitive  
2 prices, the Commodity Credit Corporation is directed to use  
3 its existing powers and authorities to encourage sales for  
4 export of such quantities of cotton as will reestablish and  
5 maintain the fair historical share of the world market for  
6 United States cotton, said volume to be determined by the  
7 Secretary of Agriculture. Cotton made available by the  
8 Commodity Credit Corporation under section 102 of the  
9 Agricultural Trade Development and Assistance Act of  
10 1954, as amended, shall be sold at competitive world prices.

11 APPROPRIATION TO SUPPLEMENT SECTION 32 FUNDS

12 SEC. 404. There is hereby authorized to be appropriated  
13 for each fiscal year, beginning with the fiscal year ending  
14 June 30, 1957, the sum of \$250,000,000 to enable the Sec-  
15 retary of Agriculture to further carry out the provisions of  
16 section 32, Public Law 320, Seventy-fourth Congress, as  
17 amended (7 U. S. C. 612c), subject to all provisions of law  
18 relating to the expenditure of funds appropriated by such  
19 section, except that the 25 per centum limitation on the ex-  
20 penditure of funds with respect to any one agricultural com-  
21 modity or product thereof shall not apply to the funds herein  
22 authorized.

23 TRANSFER OF BARTERED MATERIALS TO SUPPLEMENTAL  
24 STOCKPILE

25 SEC. 405. (a) Strategic and other materials acquired by

1 the Commodity Credit Corporation as a result of barter or ex-  
2 change of agricultural commodities or products, unless acquired  
3 for the national stockpile established pursuant to the Strategic  
4 and Critical Materials Stockpile Act (50 U. S. C. 98-98h),  
5 or for other purposes shall be transferred to the supplemental  
6 stockpile established by section 104 (b) of the Agricultural  
7 Trade Development and Assistance Act of 1954 (7 U. S. C.  
8 1704).

9 (b) Strategic materials acquired by the Commodity  
10 Credit Corporation as a result of barter or exchange of  
11 agricultural commodities or products may be entered, or  
12 withdrawn from warehouse, free of duty.

13 (c) In order to reimburse the Commodity Credit Cor-  
14 poration for materials transferred to the supplemental stock-  
15 pile there are hereby authorized to be appropriated amounts  
16 equal to the value of any materials so transferred. The value  
17 of any such material for the purpose of this subsection, shall  
18 be the lower of the domestic market price or the Commodity  
19 Credit Corporation's investment therein as of the date of  
20 such transfer, as determined by the Secretary of Agriculture.

21 SURPLUS DISPOSAL ADMINISTRATOR

22 SEC. 406. The Secretary of Agriculture is authorized  
23 to appoint an agricultural surplus disposal administrator,  
24 at a salary rate of not exceeding \$15,000 per annum, whose



1 duties shall include responsibility for activities of the De-  
2 partment, including those of Commodity Credit Corporation,  
3 relating to the disposal of surplus agricultural commodities.

4 STATE CONTRIBUTION TO COST OF COMMODITIES FURNISHED  
5 TO DISASTER AREAS

6 SEC. 407. Notwithstanding any other provision of law,  
7 no feed for livestock or seed for planting shall be furnished to  
8 farmers, ranchers, or stockmen pursuant to the Act entitled  
9 “An Act to authorize Federal assistance to States and local  
10 governments in major disasters, and for other purposes”,  
11 approved September 30, 1950 (64 Stat. 1109; 42 U. S. C.  
12 1855 and the following) ; section 2 of the Act entitled “An  
13 Act to abolish the Regional Agricultural Credit Corporation  
14 of Washington, District of Columbia, and transfer its func-  
15 tions to the Secretary of Agriculture, to authorize the Secre-  
16 tary of Agriculture to make disaster loans, and for other pur-  
17 poses”, approved April 6, 1949, as amended (12 U. S. C.  
18 1148) ; the provision under the heading “Disaster Loan Re-  
19 volving Fund” Third Supplemental Appropriation Act, 1954  
20 (68 Stat. 88) ; the Agricultural Trade Development and  
21 Assistance Act of 1954 (68 Stat. 454; 7 U. S. C. 1691, and  
22 the following) or pursuant to any other law as a disaster  
23 relief measure, unless, in addition to such administrative costs  
24 as may be assumed by the State, the State in which such feed

1 or seed is furnished agrees to contribute an amount equal to  
 2 15 per centum of the cost, including transportation, of such  
 3 feed or seed which is not paid for by the recipients thereof.

4 TITLE V—MARKETING QUOTAS AND ACREAGE  
 5 ALLOTMENTS

6 EXTENSION OF SURRENDER AND REAPPORTIONMENT

7 PROVISIONS FOR WHEAT ACREAGE ALLOTMENTS

8 SEC. 501. Section 334 (f) of the Agricultural Ad-  
 9 justment Act of 1938, as amended, is amended by striking  
 10 out "1955" wherever it appears in such subsection and  
 11 inserting in lieu thereof "1955, 1956, or 1957."

12 COMMERCIAL WHEAT PRODUCING AREA

13 SEC. 502. Section 335 (e) of the Agricultural Adjust-  
 14 ment Act of 1938, as amended (7 U. S. C. 1335 (e)),  
 15 is amended effective beginning with the 1957 crop by chang-  
 16 ing the first sentence thereof to read as follows: "If, for any  
 17 marketing year, the acreage allotment for wheat for any  
 18 State is two hundred and forty thousand acres or less, the  
 19 Secretary, in order to promote efficient administration of the  
 20 Act and the Agricultural Act of 1949, may designate such  
 21 State as outside the commercial wheat-producing area for  
 22 such marketing year."

23 MINIMUM STATE ACREAGE ALLOTMENTS FOR 1956 RICE  
 24 CROP

25 SEC. 503. Section 353 of the Agriculture Adjustment



1 Act of 1938, as amended, is amended by adding to sub-  
 2 section (c) a new paragraph (5) to read as follows:

3 “(5) Each of the State acreage allotments for 1956  
 4 heretofore proclaimed by the Secretary, after adding thereto  
 5 any acreage apportioned to farms in the State from the  
 6 reserve acreage set aside pursuant to subsection (a) of this  
 7 section, shall be increased by such amount as may be neces-  
 8 sary to provide such State with an allotment of not less  
 9 than 85 per centum of its final allotment established for  
 10 1955. Any additional acreage required to provide such  
 11 minimum allotment shall be additional to the national acre-  
 12 age allotment. In any State having county acreage allot-  
 13 ments for 1956, the increase in the State allotment shall be  
 14 apportioned among counties in the State on the same basis  
 15 as the State allotment was heretofore apportioned among  
 16 the counties, but without regard to adjustments for trends  
 17 in acreage.”

18 PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

19 SEC. 504. The Agricultural Adjustment Act of 1938,  
 20 as amended, is amended by inserting after section 376 a new  
 21 section as follows:

22 “PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

23 “SEC. 377. In any case in which, during any year after  
 24 1955 for which acreage allotments are in effect for any  
 25 commodity under this Act, the acreage planted to such

1 commodity on any farm is less than the acreage allotment  
2 for such farm, the entire acreage allotment for such farm  
3 shall be considered for purposes of future farm acreage allot-  
4 ments to have been planted to such commodity in such  
5 year, but only if the owner or operator of such farm notifies  
6 the county committee prior to the thirtieth day preceding  
7 the beginning of the marketing year for such commodity  
8 of his desire to preserve such allotment. This section shall  
9 not be applicable in any case in which the amount of the  
10 commodity required to be stored to postpone or avoid pay-  
11 ment of penalty has been reduced because the allotment  
12 was not fully planted. Nothing herein shall be construed  
13 to permit the allotment to any other farm of the acreage  
14 with respect to which notice is given under this section.”

## 15 TITLE VI—RICE

16 SEC. 601. Title III of the Agricultural Adjustment Act  
17 of 1938, as amended, is amended (1) by changing the des-  
18 ignation thereof to read as follows: “TITLE III—PARITY  
19 PAYMENTS, CONSUMER SAFEGUARDS, MARKET-  
20 ING QUOTAS, AND RICE CERTIFICATES”; (2) by  
21 changing the designation of subtitle D thereof to read as  
22 follows: “SUBTITLE E—MISCELLANEOUS PROVISIONS AND  
23 APPROPRIATIONS”; and (3) by inserting after subtitle C  
24 a new subtitle D, as follows:



1                   “SUBTITLE D—RICE CERTIFICATES

2                   “LEGISLATIVE FINDINGS

3           “SEC. 380a. The movement of rice from producer to  
4 consumer is preponderantly in interstate and foreign com-  
5 merce, and the small quantity of rice which does not move  
6 in interstate or foreign commerce affects such commerce.  
7 In order to provide an adequate and balanced flow of rice in  
8 interstate and foreign commerce and to assure consumers  
9 an adequate and steady supply of rice at fair prices it is  
10 necessary to regulate all commerce in rice in the manner  
11 provided in this subtitle. These findings are supplemental  
12 to and in addition to the findings contained in section 351  
13 of this Act.

14                   “EFFECTIVE DATE AND TERMINATION

15           “SEC. 380b. The provisions of this subtitle, unless ex-  
16 tended by law, shall apply only to the crops of rice harvested  
17 in 1956 and 1957. With respect to such crops the provisions  
18 of this subtitle shall be applied notwithstanding any of the  
19 provisions of sections 351 to 356, inclusive, of this Act, but  
20 the provisions of such sections shall apply with respect to all  
21 matters not covered by this subtitle. Nothing in this sub-  
22 title shall require the recomputation of the national acreage  
23 allotment for 1956, or its reapportionment among States,  
24 counties, and farms.

## 1                   “NATIONAL ACREAGE ALLOTMENT

2           “SEC. 380c. The national acreage allotment of rice for  
3 any calendar year shall be that acreage which the Secretary  
4 determines will, on the basis of the national average yield  
5 of rice for the three calendar years immediately preceding  
6 the calendar year for which such national acreage allotment  
7 is determined, produce an amount of rice adequate together  
8 with the estimated carry-over from the marketing year end-  
9 ing in such calendar year to make available a supply for  
10 the marketing year commencing in such calendar year not  
11 less than the normal supply: *Provided, however,* That the  
12 national acreage allotment for 1957 shall not be less than  
13 the total acreage allotted for 1956. The national acreage  
14 allotment for any year shall be proclaimed not later than  
15 December 31 of the preceding year.

16          “SEC. 380d. The national acreage allotment for rice  
17 for each calendar year after 1956 shall be apportioned by  
18 the Secretary among the several States in which rice is  
19 produced in proportion to the average number of acres of  
20 rice in each State during the three-year period immediately  
21 preceding the calendar year for which such national acre-  
22 age allotment of rice is determined (plus, in applicable years,  
23 the acreage diverted under previous agricultural adjustment,  
24 conservation, or soil-bank programs): *Provided,* That for  
25 1957 the apportionment shall be on the basis of the average



1 number of acres of rice in each State for the two years im-  
2 mediately preceding.

3 "APPORTIONMENT AMONG PRODUCERS

4 "SEC. 380e. The State acreage allotment for each cal-  
5 endar year subsequent to 1956 shall be apportioned to farms  
6 owned or operated by persons who have produced rice in  
7 any one of the three calendar years immediately preceding  
8 the year for which such apportionment is made (or two  
9 calendar years in the case of the 1957 allotment) on the  
10 basis of past production of rice in the State by the producer  
11 on the farm taking into consideration the acreage allotments  
12 previously established in the State for such owners or opera-  
13 tors: *Provided*, That if the State committee recommends such  
14 action and the Secretary determines that such action will  
15 facilitate the effective administration of this Act the appor-  
16 tionment of the State acreage allotment shall be to farms on  
17 which rice has been produced during any one of such period  
18 of years, using past production of rice on the farm and the  
19 acreage allotments previously established for the farm in lieu  
20 of past production of rice by the producer and the acreage  
21 allotments previously established for such owners or opera-  
22 tors. Not more than 1 per centum of the State acreage allot-  
23 ment may be apportioned among farms operated by persons  
24 who will produce rice during the calendar year for which the  
25 allotment is made but who have not produced rice in the year

1 or years used as the basis for the apportionment, or may be  
 2 used to adjust for trends or for abnormal conditions affecting  
 3 acreages: *Provided, however,* That in any State in which  
 4 allotments are established for farms on the basis of past  
 5 production of rice on the farm such percentage of the State  
 6 acreage allotment may be apportioned among the farms  
 7 on which rice is to be planted during the calendar year  
 8 for which the apportionment was made but on which rice  
 9 was not planted during the year or years used as the basis  
 10 for the apportionment or to adjust for trends or for abnormal  
 11 conditions affecting acreages.

12 "APPORTIONMENT AMONG COUNTIES

13 "SEC. 380f. Notwithstanding any other provisions of this  
 14 subtitle—

15 "(1) if farm acreage allotments are established by  
 16 using past production of rice on the farm and the acreage  
 17 allotments previously established for the farm in lieu of  
 18 past production of rice by the producer and the acreage  
 19 allotments previously established for owners or opera-  
 20 tors, the State acreage allotment shall be apportioned  
 21 among counties in the State on the same basis as the  
 22 national acreage allotment is apportioned among the  
 23 States, and the county acreage allotment shall be appor-  
 24 tioned to farms as provided in section 380e: *Provided,*  
 25 That there may be reserved not to exceed 1 percent of



the State allotment which shall be used to make allotments to new farms, and to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

“(2) any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county and farm acreage allotments. In determining the past production of rice by producers on a farm for the purpose of establishing farm acreage allotments for 1956 and subsequent crops, the acreage of rice on the farm for any year for which farm acreage allotments were in effect shall be divided among the producers thereon in the proportion in which they contributed to the farm acreage allotment.

“REAPPORTIONMENT OF VOLUNTARILY SURRENDERED  
ALLOTMENTS

“SEC. 380g. Any part of the farm rice acreage allotment on which rice will not be planted and which is voluntarily surrendered in accordance with regulations of the Secretary shall be deducted from such allotment and may be reapportioned to other farms in the same county receiving allotments in amounts determined to be fair and reasonable on the basis of the past production of rice by the producers on the farm or the past production of rice on the farm, as the case may be; acreage allotments previously established for

1 the farm or for the producers on the farm as the case may  
2 be: *Provided, however,* That if such surrendered acreage  
3 cannot be reapportioned in the county, such acreage may be  
4 apportioned among other farms in other counties in the State  
5 on the basis of the foregoing factors. In no event shall any  
6 acreage released in any State be reapportioned to any other  
7 State or to any farm or producer planting rice within another  
8 State. In lieu of voluntarily surrendering all or any part of  
9 the farm acreage allotment on which rice will not be planted,  
10 the farm operator may, subject to such condition as the Sec-  
11 retary may by regulation prescribe, transfer such acreage to  
12 another producer or farm of his choice within the State.

13 “Subject to the provisions of section 380h, any allot-  
14 ment surrendered or transferred under this section shall be  
15 regarded for the purposes of section 380e as having been  
16 planted on the farm from which surrendered or transferred,  
17 except that this shall not operate to make the farm from which  
18 the allotment was surrendered or transferred eligible for  
19 an allotment as having rice planted thereon, or to make any  
20 producer thereon eligible for an allotment as having pro-  
21 duced rice, during the base period used in establishing any  
22 acreage allotment: *Provided, however,* That notwithstanding  
23 any other provisions of law any part of any farm acreage allot-  
24 ment may be permanently released in writing by the owner  
25 and operator of the farm and reapportioned as provided here-



1 in. Acreage surrendered and reapportioned, or transferred,  
2 under this section shall, if planted, be credited to the State  
3 and county in determining future acreage allotments.

4 “SEC. 380h. Notwithstanding any other provisions of  
5 this Act—

6 “(1) in establishing State, county, and farm acre-  
7 age allotments for subsequent years, a producer shall be  
8 deemed to have planted his entire acreage allotment in  
9 any year in which said producer shall have planted not  
10 less than 90 per centum of his entire acreage allotment.

11 The Secretary may, in 1956 only, reduce said require-  
12 ment to 75 per centum of the entire acreage allotment.

13 “(2) any producer who voluntarily surrenders or  
14 transfers all or any part of his farm acreage allotment  
15 for any three successive years after the year 1955, shall  
16 lose his acreage history on the surrendered or trans-  
17 ferred acreage unless in one of said three years the pro-  
18 ducer plants not less than 90 per centum of his entire  
19 acreage allotment in said year. If the requirement un-  
20 der paragraph (1) is reduced to 75 per centum for  
21 1956, the requirement under this paragraph shall be  
22 reduced to 75 per centum for 1956.

23 “(3) any surrendered or transferred acreage shall,  
24 if planted, be taken into account in establishing future  
25 acreage allotments of the farms on which planted or the

1       producers on such farms for any years for which it no  
2       longer is regarded under the provisions of this Act as  
3       having been planted on the farm from which surrendered  
4       or transferred.

5                   “RICE PRIMARY MARKET QUOTA

6       “SEC. 380i. Not later than December 31 of each year,  
7       the Secretary shall determine and proclaim the primary  
8       market quota for rice for the marketing year beginning in  
9       the next calendar year, except that for the marketing year  
10      beginning in 1956 such determination and proclamation shall  
11      be made not later than February 29, 1956. The primary  
12      market quota shall be the number of hundredweights of rice  
13      (on a rough rice basis) which the Secretary determines will  
14      be consumed in the United States (including its Territories  
15      and possessions and the Commonwealth of Puerto Rico) or  
16      exported to Cuba, during such marketing year. In making  
17      this determination the Secretary shall consider the historical  
18      consumption in these markets of rice produced in the United  
19      States and any expected enlargement in such consumption  
20      predicated upon population trends, increased per capita con-  
21      sumption, and other relevant factors.

22                   “APPORTIONMENT OF PRIMARY MARKET QUOTA

23       “SEC. 380j. (a) The primary market quota for rice  
24      shall be apportioned by the Secretary among the several  
25      States on the basis of the average yield per acre of rice in



1 each State during the three years immediately preceding the  
2 year for which the quota is proclaimed (or in the case of the  
3 apportionment for 1957, during the two years preceding such  
4 year) multiplied by the acreage allotment of such State for  
5 such year. Notwithstanding the foregoing provisions of  
6 this subsection, the primary market quota for rice shall be  
7 apportioned by the Secretary among the several States for  
8 the marketing year beginning in 1956 on the basis of the 1955  
9 production of rice in each State.

10 “(b) The State primary market quota shall be appor-  
11 tioned by the Secretary among farms on the basis of the acre-  
12 age allotment established for each farm multiplied by the  
13 normal yield per acre for the farm.

14 “REVIEW OF PRIMARY MARKET QUOTA

15 “SEC. 380k. Notice of the primary market quota shall  
16 be mailed to the producer and the operator of the farm to  
17 which such quota applies. The farm operator may have  
18 such quota reviewed in accordance with the provisions of  
19 sections 363 to 368, inclusive, of this Act.

20 “PRICE SUPPORT

21 “SEC. 380l. (a) Notwithstanding any other provision  
22 of law, the Commodity Credit Corporation shall make price  
23 support available to cooperators through loans, purchases, or  
24 other operations on the 1956 crop of rice at 55 per centum  
25 of the parity price of rice as of the beginning of the market-

1 ing year and on the 1957 and subsequent crops of rice at  
2 such level, not less than 50 per centum or more than 90 per  
3 centum of the parity price therefor, as the Secretary deter-  
4 mines will not discourage or prevent the exportation of rice  
5 produced in the United States.

6 “(b) Section 101 of the Agricultural Act of 1949, as  
7 amended, shall not apply to price support made available on  
8 rice hereunder but all the other provisions of such Act, to  
9 the extent not inconsistent with this subtitle, shall apply to  
10 price support operations carried out under this section.

11 “MARKETING CERTIFICATES

12 “SEC. 380m. (a) The Secretary of Agriculture shall  
13 for each marketing year issue certificates to cooperators for  
14 a quantity of rice equal to the primary marketing quota for  
15 the farm for such marketing year, but not exceeding the  
16 normal yield of the acreage planted to rice on the farm. The  
17 certificate shall have the value specified in subsection (e)  
18 of this section.

19 “(b) The landlord, tenants, and sharecroppers on the  
20 farm shall share in the certificates issued with respect to the  
21 farm in the same proportion as they share in the rice pro-  
22 duced on the farm or the proceeds therefrom.

23 “(c) The provisions of section 385 of this Act shall  
24 be applicable to certificates issued to producers under this  
25 section.



1       “(d) The Commodity Credit Corporation shall issue  
2 and sell certificates to persons engaged in the processing of  
3 rough rice or the importing of processed rice. Each such  
4 certificate shall be sold for an amount equal to the value  
5 thereof, as specified in subsection (e) of this section.

6       “(e) The value of each certificate issued under this  
7 section shall be equal to the difference between 90 per  
8 centum of the parity price of rice as of the beginning of  
9 the marketing year for which the certificate is issued and  
10 the level of price support for rice which is in effect during  
11 such marketing year, calculated to the nearest cent, mul-  
12 tiplied by the quantity of rice for which the certificate is  
13 issued. Any certificates not used to cover the processing  
14 of rice or the importation of processed rice pursuant to  
15 sections 380q and 380r of this Act shall be redeemed by  
16 the Commodity Credit Corporation at the value thereof.

17               “INVENTORY ADJUSTMENT PAYMENTS

18       “SEC. 380n. To facilitate the transition from the price  
19 support program currently in effect to the program provided  
20 for in this subtitle, the Commodity Credit Corporation shall  
21 make inventory adjustment payments to all persons owning  
22 rough rice located in the continental United States as of  
23 July 31, 1956, in amounts equal to 35 per centum of the  
24 parity price of rice as of August 1, 1956, multiplied by the  
25 quantities of such rough rice: *Provided, however,* That such

1 payments shall not be made with respect to rice of the 1956  
2 crop, imported rice, or rice acquired from Commodity Credit  
3 Corporation. There are hereby authorized to be appro-  
4 priated such sums as may be necessary to make payment  
5 to Commodity Credit Corporation for expenditures pursuant  
6 to this section.

7 "RICE SET-ASIDE

8 "SEC. 380o. All rough and processed rice in the in-  
9 ventories of Commodity Credit Corporation as of sixty days  
10 after the beginning of the 1956 marketing year, not exceed-  
11 ing twenty-five million hundredweight, shall be transferred  
12 to and become a part of the commodity set-aside of rice  
13 established pursuant to section 101 of the Agricultural Act  
14 of 1954.

15 "SEC. 380p. The provisions of this subtitle shall not  
16 apply to nonirrigated rice produced on any farm on which  
17 the acreage planted to nonirrigated rice does not exceed  
18 three acres or to rice produced outside the continental  
19 United States.

20 "PROCESSING RESTRICTIONS

21 "SEC. 380q. (a) Each person who on or after August  
22 1, 1956, engages in the processing of rough rice in the  
23 United States shall, upon processing any quantity of rough  
24 rice, acquire certificates issued under section 380m of this  
25 Act covering such quantity of rough rice.



1       “(b) The requirements of subsection (a) of this section  
2 shall not be applicable to the processing in Puerto Rico or  
3 Hawaii of rough rice grown in Puerto Rico or Hawaii,  
4 respectively.

5       “(c) Upon the exportation from the United States to any  
6 country other than Cuba of any processed rice with respect  
7 to which certificates were acquired in accordance with the  
8 requirements of subsection (a) of this section, the Com-  
9 modity Credit Corporation shall pay to the exporter an  
10 amount equal to the value of the certificates for the rough  
11 rice equivalent of such processed rice.

12                       “IMPORT RESTRICTIONS

13       “SEC. 380r. Each person who, on or after August 1,  
14 1956, imports processed rice into the United States shall  
15 acquire certificates issued under section 380m of this Act  
16 covering the rough rice equivalent of such processed rice.

17                       “REGULATIONS

18       “SEC. 380s. The Secretary shall prescribe regulations  
19 governing the issuance, redemption, acquisition, use, transfer,  
20 and disposition of certificates hereunder.

21                       “CIVIL PENALTIES

22       “SEC. 380t. Any person who violates or attempts to  
23 violate, or who participates or aids in the violation of, any  
24 of the provisions of sections 380q or 380r of this Act, or  
25 regulations prescribed by the Secretary for the enforcement

1 of such provisions, shall forfeit to the United States a sum  
2 equal to three times the market value, at the time of the  
3 commission of such act, of the product involved in such  
4 violation. Such forfeiture shall be recoverable in a civil suit  
5 brought in the name of the United States.

6 "REPORTS AND RECORDS

7 "SEC. 380u. (a) The provisions of section 373 of this  
8 Act shall apply to all persons, except rice producers, who  
9 are subject to the provisions of this subtitle, except that any  
10 such person failing to make any report or keep any record  
11 as required by this section or making any false report or  
12 record shall be deemed guilty of a misdemeanor and upon  
13 conviction thereof shall be subject to a fine of not more than  
14 \$2,000 for each such violation.

15 "(b) The provisions of section 373 (b) of the Act shall  
16 apply to all rice farmers who are subject to the provisions  
17 of this subtitle.

18 "DEFINITIONS

19 "SEC. 380v. For the purposes of this subtitle—

20 "(a) 'cooperator' shall have the same meaning as  
21 under the Agricultural Act of 1949, as amended.

22 "(b) 'processing of rough rice' means subjecting  
23 rough rice for the first time to any process which re-  
24 moves the husk or hull from the rice and results in the  
25 production of processed rice.



1           “(c) ‘processed rice’ means any rice from which  
2       the husk or hull has been removed and includes, but is  
3       not limited to—

4           “(1) whole grain rice,

5           “(2) second head milled rice,

6           “(3) screenings milled rice,

7           “(4) brewers milled rice,

8           “(5) undermilled rice or unpolished rice,

9           “(6) brown rice,

10          “(7) converted rice, malekized rice or par-  
11       boiled rice, and

12          “(8) vitaminized rice or enlarged rice.

13          “(d) ‘United States’ means the several States, the  
14       Territories of Hawaii and Alaska, the District of Colum-  
15       bia, and the Commonwealth of Puerto Rico.

16          “(e) ‘exporter’ means the consignor named in the  
17       bill of lading under which the processed rice is exported:  
18       *Provided, however,* That any other person may be con-  
19       sidered to be the exporter if the consignor named in  
20       the bill of lading waives his claim in favor of such other  
21       person.

22          “(f) ‘rough rice equivalent’ means the quantity of  
23       rough rice normally used (as determined by the Secre-  
24       tary of Agriculture) in the production of a particular  
25       quantity of processed rice.

1           “(g) ‘import’ means to enter, or withdraw from  
2       warehouse, for consumption.”

### 3           TITLE VII—FORESTRY PROVISIONS

#### 4           ASSISTANCE TO STATES FOR TREE PLANTING AND

#### 5           REFORESTATION

6       SEC. 701. (a) The Congress hereby finds and declares  
7       that building up and maintaining a level of timber growing  
8       stocks adequate to meet the Nation’s domestic needs for a  
9       dependable future supply of industrial wood is essential to  
10      the public welfare and security; that utilizing the more than  
11      fifty million acres of idle non-Federal and Federal lands for  
12      this purpose would not only add to the economic strength  
13      of the Nation, but also bring increased public benefits from  
14      other values associated with forest cover; and that it is  
15      the policy of the Congress that the Secretary of Agriculture  
16      in order to encourage, promote, and assure fully adequate  
17      future resources of readily available timber should assist the  
18      States in undertaking needed programs of tree planting.

19      (b) Any State may submit to the Secretary of Agri-  
20      culture a plan for forest land tree planting and reforestation  
21      for the purpose of effecting the policy hereinbefore stated.

22      (c) When the Secretary of Agriculture has approved  
23      the plan, he is hereby authorized and directed to assist the  
24      State in carrying out such plan, which assistance may in-  
25      clude giving of advice and technical assistance and fur-



1 nishing financial contributions: *Provided*, That, for the  
 2 non-Federal forest land tree planting and reforestation, the  
 3 financial contribution expended by the Federal Govern-  
 4 ment during any fiscal year to assist the State to carry out  
 5 the plan shall not exceed the amount expended by the State  
 6 for the same purposes during the same fiscal year, and  
 7 the Secretary of Agriculture is authorized to make financial  
 8 contributions on the certificate of the State official in charge  
 9 of the administration of the plan as to the amount of expend-  
 10 itures made by the State.

11 (d) In any plan that coordinates forest lands under the  
 12 jurisdiction of any Federal agency other than the Department  
 13 of Agriculture, the Secretary of Agriculture shall obtain  
 14 the cooperation and assistance of the Federal agency having  
 15 jurisdiction in the approval and carrying out of the plan.

16 (e) The Secretary of Agriculture may prescribe such  
 17 rules and regulations as may be appropriate to carry out  
 18 the purposes of this section.

19 (f) There are hereby authorized to be appropriated such  
 20 sums as may be necessary to carry out the objects of this  
 21 section, such sums to remain available until expended.

22 FOREST PRODUCTS; PRICE REPORTING; RESEARCH

23 SEC. 702. (a) For the purpose of improving the man-  
 24 agement and use of forest resources and in order to provide  
 25 farmers and other owners of small forest properties with

1 current information on markets and prices and to aid them  
2 in more efficiently and profitably marketing forest products,  
3 the Secretary of Agriculture is hereby authorized and  
4 directed to establish a price reporting service for basic forest  
5 products, including but not limited to standing timber and  
6 cut forest products such as sawlogs and pulpwood.

7 (b) The price reports made by the Secretary under  
8 subsection (a) shall be as to such species, grades sizes,  
9 and other detail, and shall be made at such intervals, but at  
10 least quarterly, as he deems appropriate. Such reports shall  
11 be by State or forest regions or by such other areas as the  
12 Secretary considers advisable, and may, in his discretion,  
13 be made as to one or more areas in advance of other areas.

14 (c) In connection with the gathering of price informa-  
15 tion and the dissemination thereof, the Secretary is authorized  
16 to cooperate with the State foresters or other appropriate  
17 State officials or agencies, as well as with private agencies,  
18 and under such conditions and terms as he may deem appro-  
19 priate.

20 (d) The Secretary of Agriculture shall make a study of  
21 price trends and relationships for basic forest products such  
22 as sawlogs and pulpwood and within two years from the date  
23 of enactment of this Act shall submit a report thereon to the  
24 Congress together with his recommendations as to an appro-



1 priate formula for the establishment of parity prices for such  
2 products.

3 (e) In the conduct of research activities under the Act  
4 of May 22, 1928 (45 Stat. 699), and the Act of August 14,  
5 1946, title II (60 Stat. 1087), the Secretary of Agriculture  
6 is directed to conduct and stimulate research and investiga-  
7 tions aimed at developing and demonstrating standards of  
8 quality, collecting and disseminating useful market informa-  
9 tion and developing methods for increasing the efficiency of  
10 the marketing and distribution processes for forest products as  
11 a means of increasing returns to farmers and other owners of  
12 forest properties.

13 (f) The Secretary of Agriculture is authorized to issue  
14 such regulations as he deems appropriate in carrying out the  
15 provisions of this section.

16 (g) There are hereby authorized to be appropriated for  
17 the purposes of this section such sums as may be necessary.

## APPENDIX

*The following provisions were disapproved for inclusion in the body of this committee print, but are printed in this appendix for further study.*

## APPENDIX A

## TITLE II—SURPLUS REDUCTION AND SOIL

## BANK ACT

## DECLARATION OF POLICY

SEC. 201. It is hereby declared to be the policy of Congress to encourage the orderly liquidation of Government-owned surplus stocks of agricultural commodities; to lessen the depressing effect of such stocks on farm prices and farm income; to encourage the elimination of wasteful production of agricultural commodities; to minimize the adverse effects of diverting production from Government price-supported crops to the production of other commodities; to assist in the marketing of agricultural commodities for domestic consumption and export; to provide for a privately owned "bank" of fertile cropland devoted to soil-building crops and reforestation, and to assist producers and consumers by helping to provide a balanced flow of commodities in interstate and foreign commerce.

SEC. 202. (a) The Secretary of Agriculture, hereinafter referred to as the "Secretary", is authorized and directed to



1 enter into agreements with producers of agricultural com-  
2 modities who are eligible for price support whereby such  
3 producers will agree, prior to a date to be established by the  
4 Secretary, to assist in bringing about a more rapid adjust-  
5 ment of the production of such commodities to the demand  
6 therefor, by underplanting any acreage allotments applicable  
7 to such commodities for one or more years, not to exceed  
8 five crop years, and by withholding such underplanted acre-  
9 age of cropland, as defined by the Secretary, from production  
10 for the same period or periods of time. Such underplanted  
11 acreage shall be devoted to soil-conserving crops or prac-  
12 tices designated by the Secretary for the area in which the  
13 land is situated. Such producers shall in addition to pay-  
14 ments under this section also be eligible for payments and  
15 grants authorized under any other law for carrying out  
16 approved soil building and soil and water conserving prac-  
17 tices on such underplanted acres.

18 (b) Notwithstanding any other provision of law, in the  
19 future establishment of State, county, and farm acreage allot-  
20 ments for any commodity under the Agricultural Adjust-  
21 ment Act of 1938, as amended, or the Agricultural Act of  
22 1949, as amended, the acreage of any commodity withheld  
23 from production for the period of years covered by any  
24 agreement by any producer under this section shall be

1 credited to the State, county, and farm as though such acre-  
2 age had actually been devoted to the production of such  
3 commodity.

4 (c) In further consideration for underplanting, and in  
5 order to bring such surplus stocks down to a normal carry-  
6 over as soon as practical and insofar as possible within five  
7 years from the date of enactment of this Act, as provided  
8 for in such agreements, the Secretary is authorized and  
9 directed to make "soil bank" payments to producers based  
10 primarily upon the productive value of the land. Also, the  
11 rate or rates of payment shall be established on such basis  
12 as the Secretary determines will provide producers with a  
13 fair and reasonable return on the land established in pro-  
14 tective vegetative cover or water storage facilities, taking  
15 into consideration the value of the land for the production  
16 of commodities customarily grown on such kind of land in  
17 the county or area, the prevailing rates for cash rentals for  
18 similar land in the county or area, the incentive necessary  
19 to obtain contracts covering sufficient acreage for the sub-  
20 stantial accomplishment of the purposes of the program, and  
21 such other factors as he deems appropriate: *Provided, how-*  
22 *ever,* That to the fullest extent practicable the Secretary  
23 shall not prescribe rates which in his judgment will result  
24 in payments with respect to any crop year aggregating an  
25 amount in excess of that which he anticipates can be obtained



1 from the disposition by Commodity Credit Corporation of  
2 a quantity of agricultural commodities equivalent to that  
3 quantity of such commodities which the Secretary estimates  
4 would have been produced during such crop year on the  
5 acreage withheld pursuant to this section: *Provided*, That  
6 such rate or rates may be determined on an individual farm  
7 basis, a county or area basis, or such other basis as the Sec-  
8 retary determines will facilitate the practical administration  
9 of the program. Such payments shall be made through the  
10 use of surplus stocks of commodities owned or controlled  
11 by the Commodity Credit Corporation, hereinafter referred  
12 to as the "Corporation" in accordance with the provisions  
13 of section 205 hereof, and from funds as provided in section  
14 208 hereof. The rates of payment offered under this section  
15 shall be graduated to encourage producers to underplant for  
16 more than one year.

17 (d) Notwithstanding any other provision of law that  
18 portion of any acreage allotment underplanted to qualify for  
19 a payment under this Act shall not be available for release  
20 and reapportionment to any other producer.

21 SEC. 203. The Secretary is further authorized and di-  
22 rected to offer to producers additional opportunities to assist  
23 in balancing production of such commodities with demand  
24 therefor by entering into agreements to withhold an acreage  
25 of cropland from the production of agricultural commodities

1 for periods of not less than three nor more than five years in  
2 return for payments based primarily on the productive value  
3 of such cropland (such withheld acreage must be devoted to  
4 such soil conserving uses as are designated by the Secretary  
5 for the area in which the land is situated or allowed to remain  
6 idle) : *Provided, however,* That producers shall be given a  
7 choice of participating in any alternative proposals for their  
8 particular area. Such alternative proposals adaptable to  
9 specified areas shall be formulated by the Secretary, taking  
10 into account such factors as (a) quality of the various types  
11 of land in the area, (b) suitability of the land for continuous  
12 cultivation, (c) suitability of the land for reforestation, (d)  
13 necessity for wind or water erosion control in the area, and  
14 (e) the period of years for which it is practicable to continu-  
15 ously devote representative land in such area to a particular  
16 use. In the development of these alternative proposals rates  
17 of payment shall be varied in such a manner as to encourage  
18 adequate participation within areas for the representative  
19 types of practices that should be performed in such areas.  
20 Payments may be made from funds as provided in section 208  
21 hereof to the maximum extent practicable, the Secretary  
22 shall first utilize reasonable quantities of surplus commodities  
23 from the Corporation's stocks by offering such stocks to  
24 producers on terms he determines will encourage the accept-  
25 ance of such payments in lieu of payments from appropriated



1 funds. Payments for conservation practices under the Agri-  
2 cultural Conservation Program carried out by the Secretary  
3 pursuant to the Soil Conservation and Domestic Allotment  
4 Act, approved February 29, 1936, as amended, may also be  
5 made for the first year in which such approved practices are  
6 performed on such acreage. In unusual cases, payments may  
7 be made for additional years, in accordance with regulations  
8 to be prescribed by the Secretary.

9 SEC. 204. Notwithstanding any other provision of law,  
10 the Secretary is authorized and directed to dispose of any  
11 commodities owned or controlled by the Corporation to  
12 domestic producers of agricultural commodities and into the  
13 domestic market at such prices as in his discretion will aid in  
14 carrying out the purpose of this Act: *Provided*, That dispo-  
15 sition of quantities of stocks hereunder in any one year shall  
16 be limited to three-fourths of such quantities of such com-  
17 modities as the Secretary determines to be a reasonable esti-  
18 mate of what would have been produced for marketing  
19 during such marketing year on the acreage withheld from  
20 production under the provisions of this Act. Such disposi-  
21 tions shall be made at such time, in such manner and such  
22 quantities as will otherwise minimize any adverse effect of  
23 such dispositions upon market prices.

24 SEC. 205. The utilization of the Corporation's stocks of  
25 commodities for payments may, in the discretion of the Sec-

1 retary, be by one or more of the following means: (a)  
 2 negotiable options for cooperating producers to buy Corpora-  
 3 tion stocks at a price to be determined at the discretion of  
 4 the Secretary, (b) negotiable certificates conferring upon a  
 5 cooperating producer or his assignee the right to acquire a  
 6 certain quantity of the Corporation's stocks within a defined  
 7 area within a certain time, (c) negotiable drafts drawn on  
 8 the Corporation for redemption from funds to be obtained  
 9 by the Corporation through the sale of surplus stocks of com-  
 10 modities released under the authority of this Act, or (d)  
 11 other similar procedures: *Provided*, That cooperating pro-  
 12 ducers shall be compensated only from stocks of commodities,  
 13 the production of which are being reduced by such producer  
 14 under the provisions of this Act, except that feed grains,  
 15 including wheat for feed, shall be interchangeable: *Provided*  
 16 *further*, That nothing herein shall preclude the Secretary  
 17 from fulfilling any obligation of the Government to carry out  
 18 any agreement entered into in good faith pursuant to the  
 19 other provisions of this Act. Commodities delivered to a  
 20 producer or his assignee or otherwise released pursuant to  
 21 this Act shall not be eligible for a commodity loan or other  
 22 price support authorized by law.

23       SEC. 206. Any payments authorized herein shall be sub-  
 24 ject to a determination under regulations issued by the Sec-  
 25 retary that the rights of tenants have been equitably pro-



1 tected and that a reasonable division of payments has been  
2 agreed to between the parties in interest.

3 SEC. 207. In establishing rates of payment under sec-  
4 tions 202 and 203, the Secretary shall make allowance for  
5 the fact that the withholding of acreage from production for  
6 a considerable number of years probably will make a greater  
7 contribution to bringing supplies into line with demand than  
8 will a withholding for a fewer number of years and particu-  
9 larly for a single year.

10 SEC. 208. The Secretary is authorized and directed to  
11 make payments to cooperating producers from funds which  
12 are hereby authorized to be appropriated, provided such pro-  
13 ducers are within any acreage allotment issued pursuant to  
14 the provisions of the Agricultural Adjustment Act of 1938,  
15 as amended. Further, the Secretary is authorized to utilize  
16 the facilities, services, authorities, and funds of the Corpora-  
17 tion in discharging his functions and responsibilities under  
18 this title including the payment of administrative expenses.  
19 There is hereby authorized to be appropriated such sums as  
20 may be necessary to make payments to the Corporation  
21 for administrative expenditures and payments to producers  
22 incurred in excess of the amounts realized from the disposi-  
23 tion of commodities pursuant to section 204 hereof. The  
24 Secretary shall first utilize Corporation surplus stocks, to the  
25 maximum extent authorized herein, to reimburse producers

1 for the underplanting of acreage allotments authorized in  
2 section 202. Upon the determination by the Secretary that  
3 the stocks of any surplus agricultural commodity held by the  
4 Corporation and by private owners will within a reasonable  
5 time be reduced to a normal supply, as defined in the Agri-  
6 cultural Adjustment Act of 1938 or the Agricultural Act of  
7 1949, he shall cease entering into agreements for adjusting  
8 acreage with respect to such commodity under this title:  
9 *Provided*, That for such purpose feed grains, including wheat  
10 for feed, shall be treated as interchangeable.

11 SEC. 209. Established rights of owners or operators to  
12 control entry on land withheld from production under this  
13 Act shall not be disturbed except that the Secretary or his  
14 duly authorized agent at reasonable times and under reason-  
15 able circumstances shall have the right of entry to check  
16 compliance with agreements entered into pursuant to this  
17 Act.

18 SEC. 210. (a) Notwithstanding any other provision of  
19 law, corn acreage allotments shall be suspended for 1956.

20 (b) Not later than December 15, 1956, producers of  
21 corn in the commercial corn area, as determined for the 1956  
22 crop year, shall be given an opportunity through a referen-  
23 dum to be conducted by the Secretary to determine by a  
24 majority vote whether acreage allotments and price supports  
25 as presently required by law shall be reinstated in 1957 and



1 subsequent years, or whether acreage allotments shall be  
2 terminated and provisions made for establishing price support  
3 at such a level as will assist farmers in marketing corn in the  
4 normal channels of trade but not encourage the uneconomic  
5 production of corn.

6       SEC. 211. Notwithstanding any other provision of law,  
7 the Secretary shall require as a condition of eligibility for  
8 price support on any agricultural commodity that the pro-  
9 ducer agree to devote to soil conserving crops or practices to  
10 be determined by the Secretary for a period of not less than  
11 one full production year, an acreage of cropland out of that  
12 which such producer normally devoted to soil depleting  
13 crops, without additional compensation other than payments  
14 for conservation practices under the Agricultural Conserva-  
15 tion Program carried out pursuant to the Soil Conservation  
16 and Domestic Allotment Act, approved February 29, 1936,  
17 as amended: *Provided*, That this requirement shall not be  
18 applied to any crop as a condition for eligibility for price  
19 support in any year in which marketing quotas are in effect  
20 on such crop as the result of a referendum conducted prior  
21 to the enactment of this Act: *Provided further*, That a pro-  
22 ducer shall be eligible for "soil bank" payments under section  
23 203 hereof on any acreage that he agrees to devote to soil  
24 conserving crops or practices, or allow to remain idle, for  
25 three or more years. The amount of such acreage of crop-

1 land to be devoted to soil conserving crops or practices under  
2 this section shall be determined by applying a percentage fac-  
3 tor to the total acreage of cropland being planted to price  
4 supported crops for harvest during the marketing years of  
5 which eligibility for price support is being determined. In  
6 calculating the total acreage of cropland being devoted to  
7 price supported crops in 1956, there shall be deducted the  
8 acreage planted to price supported crops under marketing  
9 quotas and other acreage devoted to price supported crops  
10 seeded prior to enactment of this Act. The percentage  
11 factor shall be that determined by the Secretary, and in no  
12 event in excess of 15 per centum of the acreage of cropland  
13 being devoted to price supported crops. The Secretary is  
14 authorized to make agricultural conservation payments for  
15 approved conservation practices performed on land removed  
16 from production for market under this section.

17       Except as the Secretary may otherwise provide by regu-  
18 lation, no producers shall be eligible for any payment under  
19 this Act if the acreage of cropland devoted to price sup-  
20 ported crops on any farm controlled by such producer is  
21 increased to an acreage greater than the average devoted  
22 to such crops in the immediately preceding five years (con-  
23 sidering normal rotation practices).

24       SEC. 212. No harvesting or grazing shall be permitted  
25 on acreage withheld from production under section 202,



1 203, or 211 of this Act. The Secretary shall issue regula-  
2 tions providing for the disposition of any forage standing  
3 on such land at the expiration of the period for which it is  
4 withheld from production.

5 SEC. 213. The Secretary is authorized and directed to  
6 issue regulations for the determination of the productive  
7 value of land giving adequate weight to (1) actual produc-  
8 tion records of the owner or operator which can be ob-  
9 jectively substantiated, and (2) such other standards as  
10 may be reasonable under the circumstances in fixing rates  
11 of payments.

12 SEC. 214. The producer shall agree to forfeit all rights  
13 to further payments under agreements entered into in ac-  
14 cordance with this Act and to refund to the United States  
15 all payments received thereunder upon his willful violation  
16 of any agreement at any stage during the time he has control  
17 of the farm.

18 Whenever the Secretary of Agriculture has reason to  
19 believe there has been a willful violation of a material pro-  
20 vision of the agreement, he shall give the producer notice  
21 thereof and within thirty days from such notice the pro-  
22 ducer shall be given an opportunity to show cause why  
23 the agreement should not be modified or terminated and his  
24 rights to further payments under the agreement forfeited and  
25 any payments made thereunder refunded to the United States

1 and a final determination regarding such violation shall  
2 be made under rules prescribed by the Secretary: *Provided*,  
3 That whenever the producer feels aggrieved, he may within  
4 ninety days after the mailing or serving of notice of such  
5 determination appeal such determination to the United States  
6 district court for a determination of the facts in the case  
7 and judicial relief with respect thereto.

8 TERMINATION AND MODIFICATION OF AGREEMENTS

9 SEC. 215. (a) The Secretary may terminate any agree-  
10 ment with a producer by mutual agreement with the producer  
11 if the Secretary determines that such termination would be in  
12 the public interest.

13 (b) The Secretary may agree to such modification of  
14 agreements previously entered into as he may determine to  
15 be desirable to carry out the purposes of this Act and to  
16 facilitate the practical administration of the program.

17 SEC. 216. Notwithstanding any other provision of law—

18 (1) insofar as the acreage of cropland on any farm  
19 enters into the determination of acreage allotments and  
20 marketing quotas under the Agricultural Adjustment  
21 Act of 1938, as amended, the cropland acreage on the  
22 farm shall not be decreased during the period of any  
23 contract entered into under this program by reason of  
24 the establishment and maintenance of vegetative cover  
25 or water storage facilities under such agreement; and



1           (2) the acreage on any farm which is determined  
2       under regulations of the Secretary to have been diverted  
3       from the production of any commodity subject to acreage  
4       allotments or marketing quotas in order to carry out the  
5       contract entered into under this program shall be consid-  
6       ered acreage devoted to the commodity for the purposes  
7       of establishing future State, county, and farm acreage  
8       allotments under the Agricultural Adjustment Act of  
9       1938, as amended.

10                   GEOGRAPHICAL APPLICABILITY

11       SEC. 217. (a) This title shall apply to the continental  
12       United States, and, if the Secretary determines it to be in the  
13       national interest to one or more of the Territories of Alaska  
14       and Hawaii, and the Commonwealth of Puerto Rico, and, as  
15       used in this title, the term "State" includes Alaska, Hawaii,  
16       and Puerto Rico.

## APPENDIX B

**A BILL**

To safeguard the health, efficiency, and morale of the American people; to provide for improved nutrition through a more effective distribution of food supplies through a food-allotment program; to assist in maintaining fair prices and incomes to farmers by providing adequate outlets for agricultural products; to prevent burdening and obstructing channels of interstate commerce; to promote the full use of agricultural resources; and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3           **TITLE I—GENERAL PROVISIONS AND**  
4           **AUTHORITY**

5                       **PURPOSES**

6       SECTION 1. (a) It is hereby declared to be in the inter-  
7       est of national security and the maintenance of the health,  
8       efficiency, and morale of the American people that the sup-  
9       plies of food available from time to time for domestic con-  
10      sumption be efficiently distributed among the various sections  
11      of the Nation and among persons in the various income  
12      groups, and that the means of obtaining sufficient food for an  
13      adequate diet be placed so far as possible within the reach  
14      of every person in the Nation. It is further declared to be  
15      essential to the national security and the general welfare that  
16      production and consumption of agricultural products be



1 maintained at a high level as a means of maintaining a  
2 healthy population and a strong, productive economy. It is  
3 further declared that the operation of the national food-  
4 allotment plan, as provided in this Act, is a desirable and  
5 effective method of accomplishing the purposes hereinabove  
6 set forth.

7 (b) It is further declared that nothing in this Act  
8 shall be construed as intending or justifying the payment  
9 of inadequate wages or the lowering of standards of public  
10 assistance.

11 DEFINITIONS

12 SEC. 2. As used in this Act—

13 (a) The term “Secretary” means the Secretary of  
14 Agriculture.

15 (b) The term “household”, subject to such further  
16 definition as the Secretary may specify, shall mean a do-  
17 mestic unit consisting of one or more persons occupying  
18 a common home or noncommercial, nonpenal institution  
19 and for whom food is customarily purchased in common.  
20 Households shall be classified for the purposes of this Act  
21 according to number of members and monthly income.

22 (c) The term “basic food allotment” shall mean the  
23 following amounts of food per person per week or the  
24 equivalent thereof in nutritional value as determined by  
25 the Secretary:

- 1       Milk, and its equivalent in cheese, evaporated milk, or
- 2   dry milk, five and one-quarter quarts.
- 3       Potatoes and sweetpotatoes, three pounds, seven ounces.
- 4       Dry beans, peas, and nuts, eight ounces.
- 5       Tomatoes and citrus fruits, one pound, ten ounces.
- 6       Green or yellow vegetables, such as green cabbage, kale,
- 7   snap beans, and carrots, one pound, nine ounces.
- 8       Other vegetables and fruit, two pounds, six ounces.
- 9       Eggs, four.
- 10      Meat, poultry, and fish, one pound, twelve ounces.
- 11      Flour and cereals, four pounds, four ounces (enriched
- 12   or whole grain) .
- 13      Fats and oils, fourteen ounces.
- 14      Sugars, sirups, and preserves, eleven ounces.
- 15      The Secretary may add to or delete commodities listed,
- 16   or may change quantities in the several categories if he
- 17   deems such changes necessary or appropriate to provide an
- 18   adequate diet in view of new research in nutrition, and may
- 19   increase the basic food allotment for those individuals or
- 20   groups who are in need of special nutritional supplements.
- 21      (d) The term "food-allotment coupon" shall mean a
- 22   coupon, stamp, token, or other medium of exchange issued
- 23   to an eligible recipient pursuant to the provisions of this Act.
- 24      (e) The term "household income" shall mean the
- 25   total amount of money received by all persons in a house-



1 hold and available to pay the ordinary expenses of the house-  
2 hold less—

3 (1) such portions of the amounts received by such  
4 persons from any public agency as assistance payments  
5 on the basis of individual needs as the Secretary may,  
6 after consultation with the appropriate State or local  
7 welfare agency, deem it advisable to exclude in the inter-  
8 est of maintenance of standards of public assistance; and

9 (2) such portions of the amounts received by such  
10 persons, other than the head of the household or his  
11 spouse, as the Secretary may deem it equitable to ex-  
12 clude in computing the income of such household.

13 ESTABLISHMENT OF THE FOOD-ALLOTMENT PROGRAM

14 SEC. 3. (a) The Secretary shall establish and admin-  
15 ister a national food-allotment program in accordance with  
16 the provisions of this Act, and shall make rules and regula-  
17 tions for the conduct thereof. Under such program the  
18 Secretary may issue to households applying therefor food-  
19 allotment coupons, as hereinafter set forth, which shall be  
20 transferable by the recipient thereof to mercantile establish-  
21 ments registered in accordance with the provisions of this  
22 Act in exchange for food at the prices currently prevailing in  
23 the establishment of the transferee, and shall be redeemable  
24 at face value upon presentation to the Treasury by any  
25 authorized transferee thereof.

1       (b) The Secretary shall determine at least semiannually  
2 the prevailing retail cost of the basic food allotment for  
3 households within each size classification, taking into con-  
4 sideration the purchasing practices of families with low  
5 income. If he deems it necessary, the Secretary, in deter-  
6 mining the prevailing cost of the basic food allotments, may  
7 provide for regional differentials and differentials by size  
8 and type of community.

9       (c) The face value of the food-allotment coupons which  
10 may be sold to any household shall be not greater than the  
11 prevailing retail cost of the basic food allotment of such  
12 household less the prevailing retail cost of—

13           (1) the food produced and consumed by such  
14 household or which, in the opinion of the Secretary,  
15 should be produced by such household for household  
16 consumption; and

17           (2) to the extent that the Secretary determines that  
18 such deduction is consistent with the purposes of the  
19 program, the food consumed by members of such house-  
20 hold in meals eaten outside of such household.

21                   PRICES TO BE CHARGED FOR COUPONS

22       SEC. 4. (a) The Secretary shall from time to time  
23 determine the prices to be charged to various households for  
24 food-allotment coupons, other than free coupons issued under  
25 the provisions of subsection (c) of this section, and shall



1 establish such prices at levels that will effectuate the pur-  
2 poses of this Act. Such prices shall be not less than 25  
3 per centum of the face value of the coupons and shall be  
4 so fixed that the cost of the coupons required to purchase  
5 the basic food allotment for a household shall not be more  
6 than 40 per centum of the household income or 25 per  
7 centum of the face value of the coupons, whichever may  
8 be the greater.

9 (b) If the Secretary finds such action necessary to  
10 assure the realization of the purposes of the program, he  
11 may require any unemployed male member of a household  
12 applying for food-allotment coupons, who is between the  
13 ages of sixteen and sixty-five and is not attending school or  
14 disabled, to submit (1) a certificate from a public employ-  
15 ment office that he is registered for work, and (2) an  
16 affirmation that he has not within the past six weeks refused  
17 suitable work.

18 (c) In order that the increased food consumption re-  
19 sulting from the administration of this Act may be concen-  
20 trated, insofar as practicable, upon those foods which are in  
21 surplus, or upon those foods which are most needed in diets,  
22 the Secretary may (1) require that each household to whom  
23 food-allotment coupons are issued use not more than  $33\frac{1}{3}$   
24 per centum in face value of such coupons to buy specifically  
25 designated foods, or to buy any one or more of a group of

1 foods, or (2) include with food-allotment coupons sold other  
2 such coupons which from time to time may be used in ex-  
3 change for specifically designated foods. The aggregate  
4 value of free coupons issued shall be not more than 10 per  
5 centum of the aggregate value of coupons sold in the preced-  
6 ing six-month period or estimated as likely to be sold in the  
7 current six-month period. The Secretary may vary the value  
8 of the free coupons issued to households or differing income  
9 and composition, according to the same criteria used in fixing  
10 the purchase price of coupons sold.

11 (d) If the Secretary finds that the funds available for  
12 expenditure in accordance with the provisions of this Act  
13 are insufficient to meet the cost of providing food-allotment  
14 coupons representing the prevailing retail cost of the basic  
15 food allotment for all households expected to participate in  
16 the program, he may make such adjustments in the program  
17 as he finds necessary to secure maximum participation among  
18 households with low per capita income, or he may limit the  
19 program to specific areas.

20 DISCRIMINATION PROHIBITED

21 SEC. 5. There shall be no discrimination against any  
22 household with respect to eligibility, classification, participa-  
23 tion, or issuance or utilization of food-allotment coupons  
24 under the provisions of this Act by reason of race, religious



1 creed, national origin, citizenship, political affiliations or  
2 beliefs, occupation, employment, or other tests, except as  
3 provided for in this Act and as may be necessary to insure  
4 general fairness and equity in the application of this Act.

5 INFORMATION TO BE FURNISHED BY APPLICANTS

6 SEC. 6. (a) Each applicant for food-allotment coupons  
7 shall furnish such information with respect to the size and  
8 income of the household of which he is a member as may  
9 be required by the Secretary to determine the value of food-  
10 allotment coupons to which such household is entitled and  
11 the price to be paid for such coupons.

12 (b) The Secretary shall establish appropriate proce-  
13 dures for appealing from the determination of the value of  
14 coupons issuable to a household and the prices chargeable  
15 for them.

16 (c) The value of the coupons to which each participat-  
17 ing household is entitled shall be redetermined and certified  
18 at least twice in each twelve-month period in accordance  
19 with rules and regulations issued by the Secretary.

20 ISSUANCE AND LIMITATION ON USE

21 SEC. 7. Food-allotment coupons shall be issued in such  
22 denominations as the Secretary shall determine. The Sec-  
23 retary, or his designated issuing agents, shall issue coupons  
24 in such manner, and at such times and places, as the Secre-

1 tary may determine, taking into consideration efficiency of  
2 administration and the convenience of those entitled to  
3 receive such coupons.

4 REDEMPTION OF FOOD-ALLOTMENT COUPONS

5 SEC. 8. (a) The Secretary shall provide for redemption,  
6 through the cooperation of the Treasury Department, the  
7 General Accounting Office, and banking institutions through-  
8 out the Nation, of food-allotment coupons exchanged for  
9 food. He shall designate banking institutions to accept such  
10 coupons from sellers of food at retail and wholesale. Insti-  
11 tutions so designated shall pay at time of presentation in  
12 cash or by credit to a demand deposit the full value of all  
13 such coupons presented to them, except any amount which  
14 the Secretary in any particular instance directs the institution  
15 to withhold.

16 (b) The banking institutions accepting food-allotment  
17 coupons as provided in subsection (a) of this section may  
18 present to the Secretary, or such other agency, including  
19 the Treasury Department, as the Secretary may designate,  
20 evidence of the deposit with them of coupons from persons  
21 authorized to redeem such coupons, together with appro-  
22 priate vouchers. Such evidence of deposit and vouchers  
23 shall be considered complete documentation for payment and  
24 payments may be made thereon. Food-allotment coupons  
25 so redeemed may be reissued or delivered for reissuance by



1 the banking institutions under regulations of the Secretary.

2 (c) The Secretary may advance moneys to banking  
3 institutions, where such action appears necessary, to provide  
4 funds for the redemption of food-allotment coupons. Such  
5 advances shall be accounted for by such banking institution  
6 or institutions not less often than once monthly.

7 (d) The Secretary may contract to pay banking institu-  
8 tions designated to receive food-allotment coupons a charge  
9 determined by the Secretary to be reasonable for the services  
10 rendered in acting as such depositories.

11 (e) Funds derived from the sale of food-allotment  
12 coupons shall be available for expenditure in accordance with  
13 the provisions of this Act and may be deposited to the  
14 credit of any appropriation provided for the purpose of  
15 carrying out the provisions of this Act or may be deposited  
16 directly with banking institutions as advanced moneys pur-  
17 suant to subsection (c) of this section.

#### 18 REGISTRATION OF FOOD DEALERS

19 SEC. 9. The Secretary shall provide by regulation a  
20 simple method for the registration of mercantile establish-  
21 ments selling food at wholesale or retail which desire to be  
22 authorized to receive food-allotment coupons in exchange  
23 for food. Such registration shall constitute a privilege to  
24 receive food-allotment coupons, which privilege shall be  
25 enjoyed until suspended or revoked by the Secretary in

1 accordance with the provisions of this Act and the rules  
2 and regulations prescribed by him.

3 COUNCIL ON NUTRITION

4 SEC. 10. The Secretary shall provide for the appoint-  
5 ment of a Council on Nutrition to advise on nutritional  
6 aspects of the food-allotment program.

7 TITLE II—ADMINISTRATION AND ENFORCEMENT

8 SEC. 201. (a) There are hereby authorized to be appro-  
9 priated such sums as may be necessary to carry out the  
10 provisions of this Act.

11 (b) The Secretary shall have authority to make such  
12 expenditures, not exceeding 5 per centum of the funds  
13 appropriated for the purposes of this Act, as he may deem  
14 necessary for the administration and enforcement of this  
15 Act, including personal services and rents at the seat of  
16 government or elsewhere, printing and binding, law books,  
17 books of reference, directories, periodicals and newspapers,  
18 and the purchase, maintenance, operation, and repair of  
19 motor-propelled passenger-carrying vehicles.

20 (c) For the purpose of this Act, the Secretary is  
21 authorized—

22 (1) to utilize the facilities, services, and personnel  
23 of units and agencies within the Department of Agricul-  
24 ture; to establish regional and local offices; to enter into  
25 agreements with other public or private agencies or in-



dividuals; to utilize (pursuant to such agreements) the facilities and services of such agencies and individuals and to delegate to them functions under this Act; and to allocate or transfer funds to, or otherwise to pay or to reimburse, such units, agencies, and individuals for expenses in connection therewith;

(2) to accept and utilize voluntary and uncompensated services; and

(3) to employ in the District of Columbia and elsewhere such employees as he deems necessary in order to carry out the purposes of this Act.

(d) The Secretary may exercise any power, duty, or discretion vested in him under this Act, through such person or persons as he may designate.

(e) The Secretary may conduct such economic studies as he deems necessary to the efficient and equitable administration of this Act.

(f) The provisions of section 3709 of the Revised Statutes shall not apply to the purchase (for the purposes of this Act) of services rendered by banking institutions or by agencies.

(g) The Secretary may, from time to time, issue such rules and regulations as he deems necessary or proper in order to carry out the purposes and provisions of this Act.

## 1 INVESTIGATION, RECORDS, REPORTS

2 SEC. 202. (a) In the enforcement and administration of  
3 this Act and the rules and regulations issued pursuant thereto,  
4 the Secretary shall be entitled to obtain information from,  
5 and make audits or inspections of, the books, records, and  
6 other writings, premises, or property of, any person or  
7 mercantile establishment selling food at wholesale or retail  
8 who desires to be or is authorized to receive food-allotment  
9 coupons, and of any person or household receiving food-  
10 allotment coupons. For the purpose of obtaining any infor-  
11 mation, verifying any report required, or making any inves-  
12 tigation authorized by this subsection, the Secretary may  
13 hold hearings, sign and issue subpoenas, administer oaths and  
14 affirmations, and may require by subpoena or otherwise the  
15 attendance and testimony of witnesses and the production of  
16 any books, or records, or any other documentary or physical  
17 evidence which may be relevant to the inquiry.

18 (b) In case of disobedience to a subpoena, the Secretary  
19 may invoke the aid of any district court of the United States  
20 in requiring the attendance and testimony of witnesses and  
21 the production of accounts, records, and memoranda. Any  
22 district court of the United States within the jurisdiction of  
23 which any proceeding or investigation is carried on may  
24 in case of contumacy or refusal to obey a subpoena issued to  
25 any person, issue an order requiring the person to appear



1 before the Secretary or his agent or to produce accounts,  
2 records, and memoranda if so ordered, or to give evidence  
3 touching any matter relevant thereto; and any failure to  
4 obey such order of the court shall be punished by the court  
5 as a contempt thereof.

6 (c) Witnesses shall be paid the same fees and mileage  
7 that are paid witnesses in the courts of the United States.  
8 No person shall be excused from attending and testifying  
9 or from producing any books, records, or other documentary  
10 evidence or certified copies thereof, or physical evidence  
11 in obedience to any such subpoena, in any investigation or  
12 proceeding herein, on the ground that the testimony or  
13 evidence, documentary or otherwise, required of him may  
14 tend to incriminate him or subject him to a penalty or  
15 forfeiture; but no individual shall be subject to prosecution  
16 and punishment or to any penalty or forfeiture for or on  
17 account of any transaction, matter, or thing concerning which  
18 he is compelled to testify or produce evidence, documentary  
19 or otherwise, after having claimed his privilege against self-  
20 incrimination, except that any such individual so testifying  
21 shall not be exempt from prosecution and punishment for  
22 perjury committed in so testifying.

23 EDUCATIONAL PROGRAM

24 SEC. 203. As a part of the food-allotment plan, the Sec-  
25 retary shall provide, in cooperation with existing agencies

1 of the Federal, State, or local governments, or private per-  
2 sons or groups, an educational program for improving the  
3 buying habits, food-utilization techniques, and food-preser-  
4 vation methods of the participants in the food-allotment  
5 plan.

6 SUSPENSION PROCEEDINGS

7 SEC. 204. (a) The Secretary is authorized to suspend  
8 from participation in the food-allotment plan any State or  
9 area, if he finds after due notice and opportunity for hearing  
10 that any agency of such State or area serving in the  
11 administration of this Act has knowingly or willfully violated  
12 any provision of this Act or of any rule or regulation issued  
13 by him under the provisions of this Act, or submitted in-  
14 accurate data with respect to size or income of households  
15 certified, or made inaccurate certification of value of coupons  
16 to be issued, or issued coupons, or any instrument redeem-  
17 able therefor, to a person or household not entitled thereto,  
18 or in an incorrect amount.

19 (b) The Secretary is authorized and directed to provide  
20 by rules and regulations for the suspension from partici-  
21 pation in the food-allotment plan of any registered food  
22 dealer, participating household, or banking institution found  
23 by him, after due notice and opportunity for hearing, to  
24 have violated any provisions of this Act, or rule or regulation  
25 issued pursuant to this Act.



1 (c) The Secretary may direct the suspension of or  
2 withholding of payment of any claim presented to him, or  
3 to any banking institution or Government department or  
4 office, based on food-allotment coupons, and may deny pay-  
5 ment on any such claim or any part of such claim after notice  
6 and opportunity for hearing in accordance with rules and  
7 regulations issued by the Secretary whenever he has reason  
8 to believe that such claim, or part of such claim, is based  
9 on food-allotment coupons obtained in violation of the pro-  
10 visions of this Act, or regulations issued pursuant thereto.  
11 Any determination by the Secretary or the person or em-  
12 ployee designated by him for such purpose denying payment  
13 on such claim or any part thereof shall be final, except that  
14 if the amount denied payment exceeds \$50, a review of such  
15 determination may be had by a trial de novo in the appro-  
16 priate district court of the United States.

17 (d) The Secretary shall have the power by order in  
18 writing to compromise any claim or claims based on food-  
19 allotment coupons, which compromise shall be final and  
20 conclusive, except on a showing of fraud, malfeasance, or  
21 misrepresentation of a material fact.

22 REVIEW

23 SEC. 205. Any State or area, registered food dealer,  
24 participating household, or banking institution suspended  
25 from participation in the food-allotment plan pursuant to this

1 Act or the regulations issued thereunder may, within thirty  
2 days after receiving notice of such suspension, institute pro-  
3 ceedings for the review thereof by filing a written petition  
4 in the district court of the United States in which the peti-  
5 tioner resides or in which is situated his place of business  
6 affected by such suspension; but the commencement of such  
7 proceedings shall not operate as a stay of such suspension  
8 unless it is specifically so ordered by the court. A copy  
9 of such petition shall be served upon the Secretary or such  
10 other person as may be designated by him. The court  
11 shall have jurisdiction to affirm, suspend, modify, or set aside  
12 any such determination or order, or enter such other judg-  
13 ment or decree as may be just. The finding of the Secretary  
14 as to the facts, if supported by substantial evidence, shall be  
15 conclusive. The court may order additional evidence to be  
16 taken before the Secretary or his representative. The judg-  
17 ment and decree of the court shall be final, subject to review  
18 as provided in title 28, United States Code, sections 1254  
19 and 1291.

#### 20 CRIMINAL PROVISIONS

21 SEC. 206. (a) Whoever shall falsely make, alter, forge,  
22 or counterfeit or cause or procure to be falsely made, altered,  
23 forged, or counterfeited any food-allotment coupon or  
24 coupon similar thereto for the purpose of obtaining or  
25 receiving, or of enabling any other person to obtain or



1 receive, directly or indirectly, from the United States or any  
2 of its officers or agents, any money or other thing of value,  
3 and whoever shall transfer or utter as true, or cause to be  
4 transferred or uttered as true, any such false, forged, altered,  
5 or counterfeited food-allotment coupon or coupon similar  
6 thereto, with intent to defraud the United States, or any  
7 mercantile establishment, banking institution, or person, shall,  
8 upon conviction thereof, be fined not more than \$5,000 or  
9 imprisoned not more than ten years, or both.

10 (b) Any person not being so authorized by this Act  
11 or the regulations issued pursuant thereto, who shall have  
12 food-allotment coupons in his possession or under his con-  
13 trol, or any person who shall use, transfer, or acquire food-  
14 allotment coupons in any manner not authorized by this Act,  
15 or the regulations issued pursuant thereto, or who shall buy,  
16 sell, or exchange food-allotment coupons without being au-  
17 thorized to do so by this Act or regulations issued pursuant  
18 thereto shall be guilty of a misdemeanor and shall, upon con-  
19 viction thereof, be fined not more than \$10,000 or im-  
20 prisoned for not more than one year, or both.

### 21 TITLE III—MISCELLANEOUS

#### 22 REPORTS TO CONGRESS

23 SEC. 301. The Secretary shall render semiannual re-  
24 ports to Congress describing the operations of the food-  
25 allotment plan, including the following: Number of eligibles

1 and participants, by the various classes of households estab-  
2 lished; the reasons for nonparticipation of eligibles; effect of  
3 the food-allotment plan on the expenditure habits of partici-  
4 pants; extent to which the plan increases purchases of foods  
5 of various types and other kinds of goods and services, for  
6 the various classes of households; benefits derived from the  
7 plan for the different types and groups of food sellers, whole-  
8 salers, processors, and producers; extent of improper use of  
9 food-allotment coupons; the amount and type of adminis-  
10 trative expenditures incurred; and the effectiveness of alter-  
11 native arrangements, procedures, and methods of adminis-  
12 tration used in carrying out the program.

13 TERRITORIAL APPLICABILITY

14 SEC. 302. The provisions of this Act shall be applicable  
15 to the United States, its Territories and possessions, and  
16 the District of Columbia.

17 SEPARABILITY PROVISION

18 SEC. 303. If any provision of this Act or the applica-  
19 tion thereof to any person or circumstance shall be held  
20 invalid, the remainder of this Act and the application of such  
21 provision to other persons or circumstances shall not be  
22 affected thereby.

23 SHORT TITLE

24 SEC. 304. This Act may be cited as the "National Food  
25 Allotment Act".





[COMMITTEE PRINT]

FEBRUARY 6, 1956

84TH CONGRESS  
2D SESSION

S.

**A BILL**

To provide an improved farm program.

By Mr. -----

FEBRUARY , 1956

Read twice and referred to the Committee on  
Agriculture and Forestry



# ANALYSIS OF COMMITTEE PRINT OF FEBRUARY 6, 1956

(Prepared by Office of the General Counsel  
U. S. Department of Agriculture)

## TITLE I

Section 101 of the Committee print provides for price support for the basic commodities, except wheat, at 90% of parity for the 1956 and 1957 crops. Section 102 provides that the support price for wheat, beginning with the 1956 crop, shall be 90% of parity for milling quality wheat and not less than its value for feed, for other wheat, with the average support price for all wheat to be not less than 75% of parity.

Section 103 provides that whenever the price of either cottonseed or soybeans is supported the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms in the market.

Section 104 repeals the existing provisions of law requiring Middling 7/8" cotton to be used as the standard grade for purposes of parity and price support.

## TITLE II

Title II of the Committee print contains the provisions for a Soil Bank Program. The provisions of the Soil Bank Program as contained in the Committee print are substantially the same as the provisions of the draft bill prepared to implement the President's farm message, S. 2949, with the following exceptions:

### Acreage Reserve Program

(a) The Committee print puts a limit of 575 million dollars on the amount of compensation which may be paid producers under the Acreage Reserve Program for each year's crops and does not contain the provision which would limit the Acreage Reserve Program for each crop of each commodity to 30% of the national acreage allotment for such crop.

(b) The Committee print includes cigar binder tobacco, types 51, 52, 54, and 55 in the Acreage Reserve Program.

(c) The Committee print limits sales of CCC stocks to finance the redemption of certificates to cotton. The quantity of cotton which may be sold for this purpose is





the estimated quantity of cotton which would have been produced on the reserve acreage. Sales of such cotton must be made at the current support price plus reasonable carrying charges or the market price, whichever is higher, and must be made to or through the regular trade.

(d) The Committee print does not contain the provision for reducing the set aside by the quantity of wheat and cotton which would have been produced on the reserve acreage.

#### Conservation Reserve Program

(e) The Committee print adds to protective vegetative cover and water storage facilities, "other soil, water, wildlife and forest conserving uses" as permissible conservation measures under the Conservation Reserve Program.

(f) The Committee print defines cultivated crop land under the Conservation Program as including land not in cultivation at the time of the contract if it would be cultivated in the course of normal crop rotation, the acreage annually cultivated is reduced by the amount of such land, and the acreage normally unused or idle is not reduced. The authority of the Secretary to permit pasturing of acreage under the Conservation Reserve Program prior to January 1, 1959 may not be exercised without notifying the Senate and House Agriculture Committees.

(g) The Committee print includes authority to the Secretary to require the producer to forfeit price support benefits if he violates his contract under the Conservation Reserve Program.

(h) The Committee print requires the Secretary not later than February 1 of each year to announce the national conservation goal for such year. Such goal shall be such proportion, as the Secretary determines it is practicable to cover by contracts, of the acres by which (1) the cultivated acres plus acreage in the Acreage Reserve Program or Conservation Reserve Program or diverted acres exceeds (2) the acreage needed for the production of commodities for domestic consumption, exports, and a reserve to meet emergency requirements. In distributing the national acreage goal among the various states and major crop production regions the Secretary is required to give due regard to the respective needs of the various states and regions for conservation benefits, the desires of the producers to participate, the diversion of acreage from allotment crops, and the need to assure adequate production of commodities not in surplus and





to discourage the production of commodities in surplus. The Secretary is required to transmit to the Congress annually a report of the scope of the Conservation Reserve Program and the basis for participation in such program in the various states and regions.

(i) The Committee print provides a limit of 350 million dollars a year on the amount of payments (including the costs of conservation materials and services) which the contracts under the Conservation Reserve Program may obligate the Government to make.

(j) The Committee print includes authority to determine land to be included in the Conservation Reserve Program by advertising and bid procedure if the Secretary determines that such action will contribute to the effective and equitable administration of the Conservation Reserve Program.

(k) The Committee print provides that no person shall be eligible for payment with respect to any farm for any year under the Acreage Reserve Program or the Conservation Reserve Program unless he is in compliance with all acreage allotments on the farm.

(l) The Committee print directs the Secretary to utilize the soil conservation districts and the Soil Conservation Service in formulating the conservation aspects of the Acreage Reserve Program and the Conservation Reserve Program.

(m) The Committee print also directs the Secretary to utilize land use capability data in administering the Soil Bank Program and to carry forward to completion as rapidly as possible the basic land inventory of the Nation.

#### TITLE IV

Section 401 of the Committee print provides for increasing the commodity set aside to 4,000,000 bales of cotton, 500 million bushels of wheat, 250 million bushels of corn and converting the set aside to a "national security reserve." The national security reserve could be reduced only for national defense purposes.

Section 402 of the Committee print requires the Secretary to submit to Congress within 30 days, a detailed program for the disposition of surplus CCC commodities.





Section 403 of the Committee print directs the Commodity Credit Corporation to offer cotton for sale for export at competitive prices, and to make cotton available for export under Title I of P. L. 480 at competitive world prices.

Section 404 of the Committee print authorizes an annual appropriation of 250 million dollars, free of the 25% limitation on the expenditure of funds with respect to any one commodity, to enable the Secretary to further carry out the provisions of Section 32.

Section 405 of the Committee print adopts the provisions in the draft bill prepared to implement the President's message providing for the transfer to the supplemental stockpile of materials acquired by CCC under the barter program with the following changes: (1) the Committee print expands the authority to include not only strategic materials but any other materials; (2) the Committee print does not contain the qualification that the materials transferred to the supplemental stockpile must be within the limits prescribed by the President; and (3) the Committee print authorizes an appropriation to reimburse CCC for such materials at the domestic market price of the materials or CCC's investment therein, whichever is lower.

Section 406 authorizes the Secretary to appoint an Agricultural Surplus Disposal Administrator at a salary rate of not exceeding \$15,000 per annum.

Section 407 of the Committee print contains provisions that require the state to contribute at least 15% of the cost of feed or seed made available for disaster relief.

## TITLE V

Section 501 of the Committee print extends for two years the present provisions for the surrender and reapportionment of wheat acreage allotments.

Section 502 extends the non-commercial wheat producing area to all states for which the acreage allotment for wheat is 240,000 acres or less.

Section 503 of the Committee print provides for increasing state acreage allotments for 1956 rice crop by such amount as may be necessary to provide such state with an allotment of not less than 85 per centum of its final allotment established for 1955.





Section 504 of the Committee print contains a new provision for the preservation of unused acreage allotments upon notice to the county committee by the owner or operator of the farm of his desire to preserve such allotment.

## TITLE VI

Section 601 of the Committee print contains new provisions for acreage allotments for rice.

1956 National, State, county, and farm rice acreage allotments would not be recomputed under the committee print.

For 1957, the base period for determining allotments would be changed from five years to two years. The 1957 National allotment would not be less than the total acreage allotted for 1956. The 1957 farm and producer allotments would be based on the 1955-56 average history of rice production, taking into consideration the 1955 and 1956 farm and producer allotments. No consideration would be given to other factors such as land, labor, water, and equipment available for production of rice, or the soil and other physical factors affecting the production of rice, which are taken into account under existing law. A State reserve of not to exceed one percent would be available for new producers or new farms and for adjustments in farm allotments on account of trend and abnormal conditions affecting production.

The release and reapportionment provisions of the Act would be expanded in 1957 so as to (1) permit reapportionment outside the county when released; (2) permit a farmer to transfer to another producer or farm of his own choice; (3) provide for permanent release of allotments; (4) provide that a producer or farm must plant at least 90 percent of the allotment at least once in 3 successive years to retain credit for planting any acreage surrendered for the purpose of determining future allotments; and (5) provide that the producer or farm to which the acreage is surrendered or transferred shall get credit for such acreage, if planted, in the event the acreage cannot be regarded as planted on the farm from which surrendered or transferred.

The Committee would also make mandatory the giving of credit to a producer or farm for planting the full farm allotment if 90 percent or more of the allotment is planted.

Section 601 of the Committee print also contains provisions for a two price plan for rice of the 1956 and 1957 crops. Under the two price plan the Secretary would proclaim the primary market quota for





rice for the marketing year equal to the quantity of rice which the Secretary determines will be consumed in the United States or exported to Cuba. The primary market quota would be apportioned among the States for 1956 on the basis of the 1955 production of rice in each State and for 1957 on the basis of the average yield per acre of rice during 1955 and 1956 multiplied by the acreage allotment of such State. The State primary market quota would be apportioned among the farms on the basis of the acreage allotment established for each farm. The Commodity Credit Corporation would support the 1956 crop of rice at 55% of parity and the 1957 crop at such level, not less than 50 per centum or more than 90 per centum of parity, as the Secretary determines will not discourage exports of rice. The Secretary would issue certificates redeemable by CCC to cooperators for a quantity of rice equal to the primary market quota for the farm. The value of such certificates would be based on the amount by which the support price for rice is less than 90% of parity. Processors of rice would be required to purchase a sufficient quantity of certificates to cover all rice processed, and importers of rice would be required to purchase a sufficient quantity of certificates to cover all rice imported. CCC would refund to processors the amount of the certificates covering exports of rice to any other country than Cuba.

The Commodity Credit Corporation is directed to make inventory adjustment payments to all persons owning rough rice located in the continental United States as of July 31, 1956, in an amount equal to 35% of parity. Such inventory adjustment payments would not be made on rice of the 1956 crop, imported rice, or rice acquired from CCC. The Committee print contains an authorization for appropriations to reimburse CCC for such expenditures.

Section 601 of the Committee print also provides for transferring to the set aside all rough and processed rice in the inventories of CCC as of 60 days after the beginning of the 1956 marketing year not exceeding 25 million hundredweight.

## TITLE VII

Title VII of the Committee print authorizes the Secretary to assist States in the carrying out of plans for forest land tree planting and reforestation, and authorizes appropriations for such purpose.

\* \* \* \* \*

The following are provisions which were included in the draft bill prepared to implement the President's farm message but which are not





included in the Committee print:

The provision increasing acreage allotments and marketing quotas for the 1956 crop of durum wheat were omitted. A separate bill containing somewhat different provisions for increasing durum wheat allotments and quotas had already passed the Senate.

The provision which would have eliminated the minimum national acreage allotment for peanuts was omitted.

The provision extending the special school milk program for two additional years and providing increased funds for the program were reported by the Committee as a separate bill.

The Committee print does not contain an authorization which would permit CCC to sell storable commodities at the current support price plus carrying charges or a provision authorizing CCC to sell 100 million bushels of less desirable milling quality wheat for feeding purposes.

The Committee print does not contain a provision repealing Section 304 of the Agricultural Trade Development and Assistance Act which prohibits barter transactions with Soviet Bloc countries.

The Committee print does not contain the provision for a refund of Federal gasoline taxes to farmers. A separate legislation for this purpose is pending in Congress.











# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 13, 1956  
For actions of February 10, 1956  
84th-2nd, No. 24

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HIGHLIGHTS: Senate committee reported farm bill. House committee reported measures to increase allotments on burley, Maryland, and fire-cured and dark air-cured tobaccos. Senate passed urgent deficiency appropriation bill. Sen. Murray introduced and discussed bill to require compulsory inspection of poultry and poultry products. Sen. Schoepel introduced and discussed bill to exempt certain shipments of farm produce from transportation taxes. Sen. Watkins introduced and discussed bills to expand Farmers Home Administration loan program.

### SENATE

1. FARM PROGRAM. The Agriculture and Forestry Committee reported the farm bill, S. 3183, the proposed Agricultural Act of 1956. The Committee received authorization to have the majority report and minority views on the bill printed during the recess of the Senate. p. 2151
2. FOREIGN TRADE. Received a report of the U. S. Tariff Commission on the operation of the trade-agreements program (with an accompanying report). p. 2150
3. EDUCATION. Received the semi-annual report of the U. S. Advisory Commission on Educational Exchange (with an accompanying report). p. 2150
4. LANDS; IRRIGATION. Received from the Interior Department a certification that an adequate soil survey and land-classification had been made of the lands in the Shafter-Wasco Irrigation District, and that lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying report). p. 2150
5. WATER RESOURCES. Received a joint resolution of the Colorado Legislature memorializing Congress to pass legislation denying Federal ownership of unappropriated water of natural streams in Colorado and the West, and confirming

the rights of appropriation under State laws. p. 2150

6. FORESTRY; MINING. Sen. Neuberger recommended that the Secretary of the Interior request the Al Sarena Co. to stop cutting timber from mining claims in the Rogue River National Forest, Oregon. p. 2167
7. APPROPRIATIONS. Passed with amendments H. R. 9063, the urgent deficiency appropriation bill for 1956. Senators Hayden, Russell, Chavez, Bridges, and Saltonstall were appointed conferees on the bill. pp. 2169, 2172
8. ADJOURNED until Tues., Feb. 14. p. 2175

#### HOUSE

9. FINANCE; BANKING. Both Houses received from the President the report of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 336); to the Senate Banking and Currency Committee and the House Foreign Affairs Committee. pp. 2149, 2184
10. TOBACCO. The Agriculture Committee reported with amendment H. J. Res. 518, to increase fire-cured and dark air-cured tobacco acreage allotments and marketing quotas (H. Rept. 1761), and reported without amendment H. J. Res. 521 and H. J. Res. 455, to increase acreage allotments of Maryland and burley tobacco (H. Repts. 1762 and 1763). p. 2189
11. ADJOURNED until Tues., Feb. 14. pp. 2183, 2189

#### ITEMS IN APPENDIX

12. PERSONNEL; RESEARCH. Extension of remarks of Rep. Gubser discussing the effect which Federal pay has upon the recruitment of scientific personnel, and inserting a letter from K. E. Fields, AEC, on this subject. p. A1345
13. FOREIGN AID. Rep. Udall inserted a newspaper editorial outlining and favoring aid given to the Filipinos. p. A1347

#### BILLS INTRODUCED

14. POULTRY. S. 3176, by Sen. Murray (for himself and others), to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome or adulterated poultry or poultry products; to Labor and Public Welfare Committee. Remarks of author, p. 2152
15. WHEAT ACREAGE. S. 3177, by Sen. Mundt, to provide for the preservation of acreage history for the purpose of future wheat acreage allotments where such allotments are underplanted because of unfavorable weather conditions; to Agriculture and Forestry Committee.
16. MARKETING. S. 3181, by Sen. Schoeppel, to exempt certain shipments of farm produce from the tax on the transportation of property; to Finance Committee. Remarks of author, p. 2153



## AGRICULTURAL ACT OF 1956

FEBRUARY 16 (filed under authority of the order of the Senate of FEBRUARY 10),  
1956.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,  
submitted the following

### R E P O R T

together with

### MINORITY VIEWS AND INDIVIDUAL VIEWS

[To accompany S. 3183]

The Committee on Agriculture and Forestry, having heretofore reported an original bill (S. 3183) to provide an improved farm program, hereby submit a report thereon with a recommendation that the bill do pass.

#### BACKGROUND

Although total farm production in 1955 was 12 percent greater than in 1947, gross farm income was 9.4 percent below 1947, and net farm income was down 38 percent. During the same period national income from nonagricultural sources had increased about 68 percent and farm production expenses had risen 11.4 percent. The parity ratio, which measures the relationship between prices received by farmers and prices paid by farmers, dropped from 115 in 1947 to 80 in January of this year.

Your committee and the Department of Agriculture have kept the development of this cost-price squeeze under constant study; and in 1955 your committee conducted extensive hearings in Washington, followed by hearings during the recess of Congress throughout the country to obtain the suggestions of the farmers themselves. Hearings were conducted at St. Paul and Worthington, Minn.; Des Moines, Iowa; Brookings, S. Dak.; Minot, N. Dak.; Pendleton, Oreg.; Fresno, Calif.; Albuquerque, N. Mex.; Fort Worth, Tex.; Hutchinson, Kans.; Stillwater, Okla.; Alexandria, La.; Macon, Ga.; Columbia, S. C.; Raleigh, N. C.; Montpelier, Vt.; and Utica, N. Y. Representatives

of the Department attended these hearings so that the Department could be kept fully informed of the proposals made. Following these hearings the major farm organizations were asked to work together to perfect the principal proposals offered at the hearings and the assistance of other groups was requested.

On January 9 the President submitted to Congress a number of proposals to assist in meeting the current farm situation, all of which have had the careful study of the committee. Thereafter the committee met informally with farm leaders to obtain their views, and conducted further formal hearings. Out of the proposals received from all these sources a tentative bill was developed and circulated; and after considering every suggestion submitted to the committee for changes in this tentative bill, the committee reported out S. 3183.

This bill provides for immediate assistance to farmers in the form of increased support prices; reduced production of surplus commodities and increased soil, water, wildlife, and forest conservation through acreage reserve and conservation reserve programs; increased disposal or removal of surplus commodities; needed changes in marketing quota and allotment legislation; a two-price plan for rice; assistance to States for tree planting and reforestation; and price reporting and research on forest products.

#### TITLE 1—PRICE SUPPORT

##### *Section 101. Basic commodities except wheat*

Section 101 provides for price support for the basic commodities, except wheat, at 90 percent of parity for the 1956 and 1957 crops. This would apply principally to cotton, corn, and peanuts since (1) the provisions contained in title V of the bill, if approved, would supersede this section with respect to rice; and (2) tobacco is required by existing law to be supported at 90 percent of parity whenever marketing quotas are in effect. Cotton, corn, peanuts, and rice are required under existing law to be supported at between 75 and 90 percent of parity. The support prices for rice and corn of the 1956 crop have been announced at \$4.04 per hundredweight for rice (75 percent of parity) and \$1.40 per bushel for corn (81 percent of parity). Price support levels for the 1956 crops of cotton and peanuts have not yet been announced. The minimum support level provided by this section for cotton, rice, corn, and peanuts (on the basis of January 15 data) is shown in the last column of the following table:



TABLE 1.—*Support prices on basis of various support levels and various parity prices: Cotton, rice, corn, and peanuts as of Jan. 15, 1956*

| Commodity           | Unit            | Effective parity price Jan. 15, 1956 | 75 percent of effective parity | 90 percent of effective parity | Parity price prescribed by sec. 106 of S. 3183 | 90 percent of parity price prescribed by sec. 106 of S. 3183 |
|---------------------|-----------------|--------------------------------------|--------------------------------|--------------------------------|------------------------------------------------|--------------------------------------------------------------|
| (1)                 | (2)             | (3)                                  | (4)                            | (5)                            | (6)                                            | (7)                                                          |
| Cotton, upland..... | Pounds.....     | <sup>1</sup> \$0.3484                | \$0.2631                       | \$0.3136                       | \$0.3522                                       | \$0.3170                                                     |
| Rice.....           | Hundred-weight. | <sup>1</sup> 5.42                    | 4.04                           | 4.88                           | 5.42                                           | 4.88                                                         |
| Corn.....           | Bushels.....    | <sup>2</sup> 1.73                    | 1.30                           | 1.56                           | 1.82                                           | 1.64                                                         |
| Peanuts.....        | Pounds.....     | <sup>2</sup> .129                    | .0968                          | .116                           | .136                                           | .122                                                         |

<sup>1</sup> New formula parity price.  
<sup>2</sup> Transitional 95 percent of old.

### Section 102. Wheat

Section 102 provides price support for milling quality wheat at 90 percent of parity and support for other wheat at such levels as will preserve its competitive relationship with corn on the basis of respective feed values, the average support price for all wheat to be not less than 75 percent of parity. Milling quality wheat would be wheat produced in any area from seed of a variety which in such area normally produces wheat of a quality desired for milling purposes. Wheat of the 1956 crop is deemed to be milling quality unless of a variety designated as undesirable by the Secretary of Agriculture prior to the time such wheat is planted. In determining milling quality wheat, the Secretary would consult with a committee on which there will be 3 representatives from each of the principal wheat-producing areas, of whom 1 would be a wheat farmer, 1 a wheat miller, and 1 a person experienced in research on wheat varieties. This section would be applicable only to the 1956 and 1957 crops.

The announced support price for wheat of the 1956 crop is \$1.81 per bushel (76 percent of parity). On the basis of January 15 data and the parity formula provided by section 106, 90 percent of parity would be \$2.26 per bushel.

Under this section, a national average support level representing 90 percent of the parity price for wheat would be established and, after the adjustments for location, grade, quality, and other factors called for by section 403 of the Agricultural Act of 1949, this would be applied to milling quality wheat. The support level for other wheat would be established at a price for each county which represents its feed value relationship to corn. The feeding value of wheat to corn (pound for pound) based on USDA Circular No. 836 is 105.

The Department has had some experience in preparing a program of the type contemplated by this section.

On August 12, 1955, it announced that under the 1956 wheat price support program 23 designated undesirable varieties would be discounted 20 cents per bushel in addition to any other discounts, and that protein premiums would not be applicable to these varieties. Following is a listing of the designated undesirable varieties, by classes and the States in which they are designated:

**Hard Red Winter:**

Purkof: Indiana, Michigan

Red Chief: Illinois, Iowa, Missouri, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico

Red Jacket: Illinois, Nebraska, Kansas, Oklahoma, Texas, Colorado, New Mexico

Kanking: Missouri, Kansas, Oklahoma, Texas, Nebraska

Kanqueen: Missouri, Colorado

Chiefkan: Nebraska, Kansas, Oklahoma, Texas, Montana, Colorado, New Mexico

Stafford: Nebraska, Kansas

Early Pawnee (Sel. 33): Kansas

Early Blackhull: Kansas, Oklahoma, Texas, Montana, Colorado

New Chief: Kansas, Oklahoma, Texas, Colorado, New Mexico

Yogo: Kansas, Oklahoma, Texas

**Soft Red Winter:**

Kawvale: Indiana, Illinois, Missouri, Kansas, Nebraska

**Hard Red Spring:**

Henry: Michigan, Minnesota, North Dakota, South Dakota, Montana

Sturgeon: Wisconsin

Progress: Wisconsin

Spinkcota: Minnesota, North Dakota, South Dakota

Premier: Montana, North Dakota

**White:**

Rex: Idaho, Washington, Oregon

Sonora: California

Galgals: Nebraska

**Durum:**

Golden Ball: Minnesota, North Dakota, South Dakota, Montana

Peliss: North Dakota, Montana

Pentad: North Dakota

The August 12 announcement contemplated that a producer certification plan would be used. Each producer applying for price support in States with any of the listed undesirable varieties would be required to certify (1) that the wheat he harvested was not of the undesirable varieties listed for his State, or (2) that the wheat he harvested was from one or more of the undesirable varieties but none of such wheat was being tendered for price support, or (3) that the wheat on which he requested price support contained wheat of an undesirable variety listed for his State and such wheat was identified by variety, and bin number (if farm stored) or warehouse receipt number.

It was estimated that the total 1954 production of the 23 varieties listed as undesirable by the Department in its announcement of August 12, 1955, amounted to 31 million bushels, as compared with the total 1954 crop of 985 million bushels.

*Section 103. Cottonseed and soybeans*

Section 103 provides that whenever the price of either cottonseed or soybeans is supported, the price of the other shall be supported at such level as will cause them to compete on equal terms on the market. The oil and meal produced from cottonseed and soybeans generally compete for the same markets, both in the United States and abroad. The purpose of this provision is to assure that the support levels established for the two commodities will not result in one being withdrawn into Government store, while the other takes over the market.



Support prices for the 1951-56 crops of cottonseed and soybeans were as follows:

TABLE 2

| Crop      | Cottonseed                              |                      | Soybeans                      |                      |
|-----------|-----------------------------------------|----------------------|-------------------------------|----------------------|
|           | Support price<br>(per ton) <sup>1</sup> | Percent of<br>parity | Support price<br>(per bushel) | Percent of<br>parity |
| 1951----- | \$63.90                                 | 90                   | \$2.45                        | 90                   |
| 1952----- | 66.70                                   | 90                   | 2.56                          | 90                   |
| 1953----- | 54.20                                   | 75                   | 2.56                          | 90                   |
| 1954----- | 54.00                                   | 75                   | 2.22                          | 80                   |
| 1955----- | 46.00                                   | 65                   | 2.04                          | 70                   |
| 1956----- | 48.00                                   | 70                   | 2.15                          | 75                   |

<sup>1</sup> Loan rate basis grade (100).

#### Section 104. Cotton

Section 104 repeals the special provision of law designating Middling  $\frac{7}{8}$ -inch cotton as the standard grade and staple for parity calculations and price support and would result in the average grade and staple being utilized for such purposes as in the case of other commodities. This change for cotton would aid in establishing more realistic differentials under the support program and would result in slightly lower support prices than would result from using Middling  $\frac{7}{8}$  as the standard grade and staple, since Middling  $\frac{7}{8}$  is below the actual average grade and staple. The amount they would be lower would depend on the particular schedule of premiums and discounts used in the calculations. If the 1955 loan schedule were used, support prices would be 1.36 cents per pound lower if based on average grade and staple than they would be if based on Middling  $\frac{7}{8}$ . The average quality of the cotton produced in 1954 was as follows: Grade 95.4 (Middling white equals 100) and staple lengths 33.2 thirty-seconds of an inch. Through January 15, 1956, the 1955 crop was as follows: Grade 93.4 and staple length 32.6 thirty-seconds.

#### Section 105. Dairy products

Section 105 provides price support for whole milk, butterfat and the products of such commodities at not less than 80 percent nor more than 90 percent of parity, and provides for using a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive (the period originally used in computing the parity equivalent). On the basis of data now available, this would result in a parity equivalent of 88 percent of the parity price for all milk sold wholesale by farmers, instead of 83.3 percent as now results from using the most recent 10-year period.

The effect of this section on support prices is illustrated by the following tables:

TABLE 3.—*Minimum and maximum support prices of manufacturing milk*

|                                                           |         |
|-----------------------------------------------------------|---------|
| (a) Under present method:                                 |         |
| Parity for all milk per hundredweight: Jan. 15, 1956..... | \$4. 61 |
| Parity equivalent price of manufacturing milk:            |         |
| 83.3 percent of parity for all milk <sup>1</sup> .....    | 3. 84   |
| Maximum support 90 percent.....                           | 3. 46   |
| Minimum support 75 percent.....                           | 2. 88   |
| (b) Under sec. 105:                                       |         |
| Parity for all milk.....                                  | 4. 61   |
| Parity equivalent of manufacturing milk:                  |         |
| 88 percent of all milk <sup>2</sup> .....                 | 4. 06   |
| Maximum support 90 percent.....                           | 3. 65   |
| Minimum support 80 percent.....                           | 3. 25   |

<sup>1</sup> July 1946–December 1955 average relationship between prices of manufacturing milk and all milk wholesale (revised series).

<sup>2</sup> July 1946–December 1948 average relationship between prices of manufacturing milk and all milk wholesale (revised series).

NOTE.—Present support price of \$3.15 is 80 percent of the parity equivalent price of manufacturing milk as of Apr. 1, 1955, the beginning of the current marketing year, but is 82 percent of the parity equivalent price as of January 1956.

TABLE 4.—*Minimum and maximum support prices of butterfat*

|                                  |                        |
|----------------------------------|------------------------|
|                                  | <i>Cents per pound</i> |
| (a) Under present method:        |                        |
| Parity price, Jan. 15, 1956..... | 71. 9                  |
| Maximum support 90 percent.....  | 64. 7                  |
| Minimum support 75 percent.....  | 53. 9                  |
| (b) Under section 105:           |                        |
| Parity price, Jan. 15, 1956..... | 71. 9                  |
| Maximum support 90 percent.....  | 64. 7                  |
| Minimum support 80 percent.....  | 57. 5                  |

NOTE.—Present support price of 56.2 cents per pound is 76 percent of parity as of Apr. 1, 1955, the beginning of the current marketing year, but is 78 percent of the parity price as of January 1956.

The parity equivalents which have been used heretofore and the periods for which they were applicable are set out in the following table:

TABLE 5.—*Parity equivalent*

|                              |                |
|------------------------------|----------------|
| Period:                      | <i>Percent</i> |
| January 1949–March 1954..... | 88. 5          |
| April–December 1954.....     | 84. 1          |
| January–December 1955.....   | 83. 7          |
| January–December 1956.....   | 83. 3          |

The method currently used in computing and applying the parity equivalent is described as follows:

#### METHOD CURRENTLY USED TO COMPUTE AND APPLY THE PARITY EQUIVALENT FOR MANUFACTURING MILK

Current procedure for computing the parity equivalent for manufacturing milk as approved by the Secretary of Agriculture provides that (1) the parity equivalent for manufacturing milk shall be determined on the basis of the relation of (a) the average price received by farmers for all milk sold at wholesale to plants and dealers for the period July 1946, through the December preceding the date of computation to (b) the average price paid f. o. b. plant by processors for all milk sold by farmers for use in production of American cheese, evaporated milk, and butter and byproducts during the same period; (2) data for each year are to be added annually until 10 full calendar years are included in the comparison; (3) thereafter the parity equivalent during any calendar year will be determined on the basis of the relation between the averages of the respective series for the 10 calendar years immediately preceding.

The factor to be used during a particular calendar year is computed in January of that year using price data available at the date of computation. The factor to be used during 1956 is 83.3 percent, which compares with 83.7 percent, the



factor used during 1955. The parity price for all milk wholesale, \$4.61 per hundredweight on January 15, 1956, multiplied by 83.3 percent, results in \$3.84 per hundredweight, the parity equivalent for milk for manufacture for January 15, 1956. This parity equivalent applies to the national average price for all milk of average butterfat content used for the principal manufacturing purposes calculated on an annual basis. It should be noted that the parity equivalent for milk for manufacturing is not in itself a parity price but is rather an administrative determination of an operating differential which is subject to revision as additional data become available or as experience indicates that the same purpose might better be achieved by calculating and applying revised differentials.

### Section 106. Parity formula

Section 106 would require the Secretary in the case of the basic commodities to use the old parity price or the modernized parity, whichever is higher. This section also directs the Secretary to make a thorough study of possible methods of improving the parity formula and report thereon within 6 months after enactment of the act.

A brief description of "old," "new" and "transitional" parity prices, and a table illustrating the effect of this section is set out below:

1. Old parity prices are calculated by multiplying base period prices by a parity index. In the case of the basic commodities, except tobacco, the base period is August 1909 to July 1914. Hence, the base period prices for the individual commodities are the average prices received by farmers for those commodities during that period. The parity index is the unrevised index of prices paid by farmers, including interest and taxes.

2. Transitional parity prices are the old parity prices decreased by 5 percent for each calendar year since 1955 in the case of basic commodities and 5 percent for each calendar year since 1949 in the case of nonbasic commodities. For 1956 transitional parity prices are 95 percent of old parity prices for basic commodities and 65 percent of old parity prices for nonbasic commodities.

3. New parity prices are computed in much the same manner as old parity prices, using the parity index based on 1910-14, but the pattern of price relationships among the various commodities that existed in the immediately preceding 10 calendar years is used to determine the pattern of relationships among the parity prices of the individual commodities.

TABLE 6.—*New, old, or transitional and effective parity prices for selected basic and nonbasic commodities, Jan. 15, 1956*

| Commodity                   | Unit              | New parity price | Old parity price  | Transitional parity price <sup>1</sup> | Effective parity price <sup>2</sup> | Parity price prescribed by sec. 106 of S. 3183 |
|-----------------------------|-------------------|------------------|-------------------|----------------------------------------|-------------------------------------|------------------------------------------------|
| Basic commodities:          |                   |                  |                   |                                        |                                     |                                                |
| Corn.....                   | Bushel.....       | \$1.64           | \$1.82            | \$1.73                                 | \$1.73                              | \$1.82                                         |
| Cotton, American upland.... | Pound.....        | .3484            | .3522             |                                        | .3484                               | .3522                                          |
| Wheat.....                  | Bushel.....       | 2.19             | 2.51 <sub>4</sub> | 2.38                                   | 2.38                                | 2.51                                           |
| Rice.....                   | Hundredweight.... | 5.42             | 5.14              |                                        | 5.42                                | 5.42                                           |
| Tobacco:                    |                   |                  |                   |                                        |                                     |                                                |
| Flue-cured, types 11-14.... | Pound.....        | .534             | .522              |                                        | .534                                | .534                                           |
| Burley, type 31.....        | do.....           | .520             | .506              |                                        | .520                                | .520                                           |
| Peanuts.....                | do.....           | .114             | .136              | .129                                   | .129                                | .136                                           |

<sup>1</sup> Transitional parity is not shown where the new parity price is the effective parity price. Transitional parity price in 1956 was 95 percent of the old parity price.

<sup>2</sup> The effective parity price is the new parity price or the transitional parity price, whichever is higher.

## TITLE II—SOIL BANK ACT

Title II of the bill provides for a soil-bank program composed of two parts: (1) An acreage reserve program; and (2) a conservation reserve program.

*Acreage reserve program*

Sections 203–206 authorize and direct the Secretary to compensate producers for voluntarily reducing their 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn, rice, flue-cured tobacco, burley tobacco, and cigar-binder tobacco, types 51, 52, 54, and 55, below their acreage allotments. Cotton would include American upland cotton and extra-long-staple cotton. To be eligible for such compensation, the producer is required to reduce his acreage of the commodity below his farm acreage allotment within such limits as the Secretary may prescribe, to specifically designate such acreage, and not to harvest any crop from or graze the reserve acreage unless the Secretary, after certification by the governor of the State, determines that it is necessary to permit grazing to alleviate hardship caused by severe drought, flood, or other natural disaster. It is anticipated by the committee that beginning with the 1957 crop the program would require the producer to underplant his acreage. It is recognized that in 1956, particularly in winter wheat areas, unless producers are permitted to adjust acreage already planted, some producers would not be able to participate in the program during 1956. The Secretary is directed to establish a national reserve acreage goal for each of the crops and to establish the limits within which individual farms may participate in a manner which is reasonably calculated to achieve the national reserve goal, and give producers a fair and equitable opportunity to participate.

Compensation of producers for participating in the acreage reserve program would be made through the issuance of certificates redeemable in cash by Commodity Credit Corporation or in the commodity, at the option of the producer, in the case of certificates issued with respect to grains and cotton. If the certificate is redeemed in the commodity, it is redeemable at not more than 110 percent of the cash value of the certificate, and the grain or cotton delivered in redemption of the certificate is to be valued at 105 percent of the current support price plus reasonable carrying charges or the market price, whichever is higher. If, as of the beginning of any marketing year, the total supply does not exceed the normal supply of the commodity, certificates thereafter issued or certificates then outstanding would no longer be redeemable in the commodity. Certificates redeemed in cash may be redeemed by the producer or by any holder in due course, but certificates redeemed in the commodity may be redeemed only by the producer. Certificates shall not be redeemed in commodities other than the commodity for the reduced production of which the certificate was issued, except that certificates for corn or wheat may be redeemed in any feed grain including wheat for feed on such basis as may be mutually agreed upon between the producer and CCC.

The amount of the compensation to producers for reducing their crops below their acreage allotments would be established by the Secretary at such rates as would provide producers with a fair and reasonable return for the acreage withdrawn from production and with a sufficient incentive to achieve the reserve acreage goal.



The compensation paid any producer for participation in the acreage-reserve program with respect to any crop of tobacco is limited to \$100 per acre.

The total compensation which may be paid producers for participating in the acreage-reserve program with respect to any year's crops is limited to \$750 million, and it is expected that this amount would be allocated among the various crops so as to provide for a fair reduction of acreage for each.

The Secretary is directed to provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis the certificates issued for participating in the program, and including such provision as may be necessary to prevent them from being forced off the farm.

Participation in the acreage reserve program by a producer would not reduce his future acreage allotments and quotas.

#### *Conservation reserve program*

Sections 207-214 provide for a conservation reserve program. In carrying out the conservation reserve program, the Secretary would be authorized to enter into long-term contracts under which producers would agree to devote to conserving uses a specifically designated acreage of land on the farm regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage). The Secretary would, however, have discretion in determining the type of land to be designated in connection with particular contracts, and in making such determination he could consider the needs of the various crop-producing regions of the country.

Section 207 sets forth certain matters that are to be covered in such contracts. Under the contract, the producer would be required to establish and maintain the conservation use on the designated acreage; not to reduce the amount of acreage on the farm normally devoted to conserving uses or allowed to remain idle; not to harvest any crop from the land established in protective cover; not to pasture the acreage prior to January 1, 1959, or such later date as prescribed in the contract except upon a finding by the Secretary, after certification of the governor of the State, of a need for grazing to alleviate hardship caused by flood, drought, or other natural disaster; not to adopt any practice tending to defeat the purposes of the contract; and to forfeit further payments and refund all payments already received, for violating the contract if the Secretary determines that such violation is of such nature as to warrant termination of the contract, or to accept such adjustments or forfeit price support benefits as the Secretary may deem appropriate if he determines that the producer's violation does not warrant termination of the contract.

The contracts would require the Secretary:

- (1) To bear such part of the cost (including labor) of establishing and maintaining the protective cover or other authorized use on the designated acreage as he determines to be necessary to effectuate the purposes of the act, not to exceed a maximum for the county or area where the farm was located; and

- (2) To make an annual payment for the term of the contract to the farmer who fulfills the provisions of the contract. This payment would represent a fair and reasonable return on the land in protective cover or other authorized use, taking into consideration

the value of the land for producing commodities customarily grown on such kind of land in the area, the prevailing rates of cash rentals in the area, necessary incentive to obtain contracts, and other appropriate factors.

While the bill contains specific provisions relating to matters to be covered in such contracts, the specific provisions in the bill are not necessarily to be incorporated verbatim in each contract. While it is intended that the contracts contain provisions which give effect to the matters required to be covered, such provisions may be worded so as to give more detailed treatment to such matters or to adapt them to the particular area, type of farming, conserving use, or other matter covered by the contract.

The cost of all direct and significant factors in the establishment of the vegetative cover could be shared. For grasses and legumes these factors would include, but would not be limited to—

- (1) Land preparation, including summer-fallowing the area and planting a go-down crop in areas where needed;
- (2) Seed;
- (3) Inoculation;
- (4) Seeding;
- (5) Liming;
- (6) Fertilizing; and
- (7) Fencing the seeding area where needed.

For trees these factors would include, but not be limited to—

- (1) Land preparation (including summer-fallowing), if needed;
- (2) Tree seedlings, seed, cuttings and shrubs;
- (3) Cultivation following planting (where needed); and
- (4) Fencing the planted area (where needed).

In a similar way, direct and significant factors of cost could be shared in connection with the establishing and maintaining of water storage facilities and other soil, water, wildlife, or forest conserving uses.

Advertising and bid procedures could be used in determining the lands in any area to be covered by the contracts.

The Secretary could not terminate a contract unless he determined that the nature of the violation was such as to defeat or substantially impair the purposes of the contract. Before termination the Secretary would have to give written notice to the producer who, if he requested such an opportunity within 30 days after the mailing or serving of the notice, would have an opportunity to show cause why the contract should not be terminated. A hearing, formal or informal as provided for under regulations issued by the Secretary, would be held to determine whether to terminate the contract. If termination was determined, the producer would receive written notice thereof and would have 90 days after the mailing or service of the notice to appeal to the appropriate United States district court for a de novo determination of the facts in the case and judicial relief with respect thereto. The Secretary's determination on termination would become final and conclusive if the producer failed to avail himself of the opportunity for a hearing within the 30-day period or for appeal to the court within the 90-day period.

A national conservation reserve goal would be proclaimed each year not later than February 1. Such goal would represent that percentage which the Secretary determines would be practicable to cover by



contracts during such year of the number of acres by which (1) the acreage needed for the production of agricultural commodities during the preceding year, plus any acreage then in the acreage or conservation reserve program or retired from production because of acreage allotment or marketing quota programs, exceeds (2) the acreage needed during the year for which the determination was made for the production of commodities for domestic and export use and for adequate carryover allowances. The 1956 national goal would be determined as soon as practicable after the enactment of the bill.

In distributing the national goal among States and major crop production regions, due regard is to be given to the need for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate; diversion of acreage under acreage allotment and marketing quota programs; and the need to assume adequate production of agricultural commodities and crops not in surplus and to discourage the production of those in surplus. Other relevant factors could of course be taken into consideration by the Secretary in the distribution of the national goal.

The criteria for determining the national conservation reserve goal, and for distributing the goal among the States and major crop production regions, are intended only as general guides to the Secretary and not as a rigid formula.

The Secretary would annually report to Congress the scope of the program for that year and the basis for participation in such program in the various States and major crop production regions.

Contracts would be entered into during the 5 years 1956 through 1960. The minimum contract period would be 3 years. The maximum contract period would be 10 years except that contracts for tree cover could extend for 15 years.

The Secretary could not enter into contracts calling for payments to producers (including the cost of materials and services furnished to producers) in excess of \$350 million in any calendar year.

Any contract could be terminated by mutual agreement with the producer if the Secretary determined that such termination would be in the public interest. Provision is also made for the modification of contracts previously entered into. In view of the long-term contracts authorized, the Secretary is given broad authority to agree to such modifications, without obtaining technical consideration therefor, as he determines to be desirable either to carry out the purposes of the act or to facilitate the practical administration of the conservation reserve program.

Authority similar to that in the Soil Conservation and Domestic Allotment Act for programs under that act would be provided to make conservation materials and services available to producers under the conservation reserve program. The Secretary could produce as well as purchase such materials and services under the conservation reserve program. It is likely that the facilities of Forest Service nurseries would be needed to produce some of the tree seedlings needed in carrying out the program. The Secretary would be authorized to reimburse any Federal, State, or local government agency for materials or services furnished by such agency and to pay expenses necessary in making such materials and services available, including costs incident to the delivery, application, or installation of the materials and services.

Authority similar to that in the Soil Conservation and Domestic Allotment Act would be provided to use regular dealers in the furnishing of conservation materials and services and to make payments to such dealers in advance of determination of performance by producers. If the Secretary determined it to be necessary to protect the interests of producers and the Government fair prices for furnishing such materials and services could be established.

The bill would provide that the acreage of cropland on any farm would not be decreased during the term of any contract for the purposes of determining acreage allotments and marketing quotas by reason of the establishment of protective cover or other use of land covered by contract under the conservation reserve program. The acreage of cropland on a farm may directly affect the size of the cotton allotment for the farm and may have a bearing indirectly in the size of the farm acreage allotments for other commodities.

Likewise the acreage determined to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out a contract entered into under the conservation reserve program would be considered to have been devoted to the production of the commodity for the purposes of determining future State, county, and farm acreage allotments.

Many producers would be unwilling to participate in the conservation reserve program without these safeguards to preserve their acreage allotments and marketing quotas.

The Secretary is directed to take adequate safeguards to protect the interests of tenants and sharecroppers, including such provision as may be necessary to prevent them from being forced off the farm.

The conservation reserve program would be applicable to the continental United States, and could be extended, if the Secretary determined it to be in the national interest, to Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

*Provisions applicable to acreage reserve and conservation reserve programs*

As a condition of eligibility for payment under either the acreage reserve or conservation reserve program the producer must comply with all farm acreage allotments established under the Agricultural Adjustment Act of 1938, except that in the case of wheat the wheat acreage must not exceed the larger of the farm wheat acreage allotment or 15 acres. Noncompliance would be determined only when the producer knowingly exceeded the acreage allotment, or, in the case of wheat, 15 acres, if larger than the allotment.

No acreage diverted from the production of any commodity by reason of participation in either the acreage reserve or conservation reserve program may be reapportioned or allotted to any other farm.

Payment of compensation authorized under the acreage reserve or conservation reserve program could be made upon the basis of the claimant's certification that he had complied with all requirements for such payments. It is intended by this provision to authorize the Secretary to provide for payments prior to the end of a program year and without waiting for a check of compliance. The producer would, of course, be expected to agree to refrain from any action which would result in his not being in compliance at the end of the program year.

The Secretary would be directed to use in administering the programs in the continental United States the community, county, and



State committees established under the Soil Conservation and Domestic Allotment Act.

The Secretary would be required to consult with soil conservation districts, State foresters, land-grant colleges and other appropriate State agencies in formulating at the State and county levels the conservation aspects of the programs. He would be required also to utilize, so far as practicable, the technical resources of the Soil Conservation Service, the Forest Service, land-grant colleges, State foresters, and other appropriate technical services to assure coordination of conservation activities and a solid technical foundation for the program.

The Secretary would be directed to utilize as fully as practicable land use capability data in carrying out the acreage reserve and conservation reserve programs; and to carry forward to completion as rapidly as possible the basic land inventory of the Nation (now about one-third completed). However, land use capability work would continue to be financed from funds otherwise made available for such work and not from any funds made available for the acreage reserve and conservation reserve programs.

In financing the acreage reserve and conservation reserve programs, including administrative costs, the Secretary would be authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation. Necessary sums to pay the CCC its actual costs would be authorized to be appropriated.

The Secretary may transfer funds to agencies of the Federal or State Governments who are requested to cooperate or assist in carrying out the programs and for technical assistance in connection therewith. Such payments may be made in advance of the time that the agency renders such assistance.

Determinations by the Secretary of (1) the facts constituting the basis for any payment, and (2) the person entitled to certain payments, would be conclusive, in the same way that similar determinations are made conclusive for other programs by section 385 of the Agricultural Adjustment Act of 1938.

The Secretary would be authorized to deny any producer all or any part of the benefits under the soil bank programs if the Secretary determines that (1) the producer had displaced any tenant or sharecropper, or reduced the acreage of any commodity farmed by any tenant or sharecropper, on any farm owned or controlled by such producer; (2) such displacement or reduction was made in contemplation of, or on account of participation by such producer in either the acreage reserve or conservation reserve program; and (3) such displacement or consent was not consented to by the tenant or sharecropper.

Cost-sharing under the regular agricultural conservation program could also be made available for establishing and maintaining protective vegetative cover and other practices and facilities authorized on lands in the acreage reserve and conservation reserve programs. However, where payment is earned for carrying out any such practice under the conservation reserve program, a duplicate payment for carrying out the same practice will not be made under the agricultural conservation program.

The Secretary would be given broad discretion in the administration of the acreage and conservation reserve programs as to lands to

be retired, incentives to be paid, and other matters. This discretion is necessary to the efficient administration of the programs, and its exercise will require consultation with field agencies and others interested in the programs. The following tentative proposals for administration of the act, prepared by the Department of Agriculture, are included for the purpose of illustration and discussion, and should not be considered as being of any binding force.

#### TENTATIVE PROPOSALS FOR ADMINISTRATION OF THE SOIL BANK ACT

##### *Acreage reserve*

The acreage reserve plan is designed to induce farmers to leave unplanted a portion of their allotment acreages for corn, wheat, cotton, rice, and certain types of tobacco. Tentative plans are as follows: The county ASC committees would set a farm yield rating for each farm for each of these allotment crops based on the average or normal yield for the last 5 years except for wheat for which the last 10 years would be used. The local ASC committee would advise each farmer of the dollar payment per acre he might receive for underplanting one or several of his allotments. The rate of payment would be based on a percentage of the loan rate times the approximate normal yield. The farmer would have to designate lands to be placed in the acreage reserve of equal quality to those used for the crop and agree that the acres so designated would not be harvested or grazed.

In the case of small farms, under the tentative plans, the farmer would be permitted to participate in the acreage reserve to the full amount of his acreage allotment up to 30 acres for grain and 10 acres for cotton. For larger farms, the maximum would be 50 percent of the allotment. There would also be a minimum acreage which could be placed in either the conservation reserve or the acreage reserve. Provisions would be included in the program requiring protection of the rights of tenants and sharecroppers.

##### *Conservation reserve*

The conservation reserve plan is designed to take lands out of the production of crops for periods of 3 to 15 years and place such lands in conservation uses such as grass, trees and other approved conservation practices. The establishment of vegetative cover, water storage facilities, improving and expanding forest cover and other conservation measures which will be obtained under the conservation reserve program, will contribute to flood prevention by retarding runoff of rainwater, prevention of soil erosion, and by providing storage of water. Water storage will be accomplished both by increased soil storage capacity and by water storage structures. These same measures, coupled with the less intensive use provided for, will conserve and rebuild soil fertility and retard soil depletion.

It is tentatively planned that in each county, the ASC committee would offer to enter into contracts specifying (1) the acreage to be placed in the program; (2) the payments to be made; and (3) the use to be made of the acres. Nationally, the annual payment on such lands would probably average about \$10 per acre. Rates within a county would vary with the quality of the land. Payment rates would be determined by areas. In addition, it is tentatively planned that the contract would provide that the Government pay up to 80 percent of the cost of applying the agreed-upon conservation practices on such lands. So far as practicable, the conservation practices which would qualify for cost-sharing payments would be the same and at the same rates as under the ACP program.

To provide further detail there follows background material developed in the Department to illustrate how the proposed soil bank program would work, what administrative regulations might have to be made, suggested rates of payment for participation, and other pertinent information. This material (amended to include tobacco) was presented to the Senate Committee on Agriculture and Forestry, February 3, and has been made public by it. The Department emphasizes that the information included in the attached statement is necessarily very tentative and should be treated accordingly. Extensive checking with farmers in the field will be needed. Final arrangements for carrying out the soil bank will, of course, depend upon the final form of legislation involved. The Department of Agriculture will welcome continued suggestions and recommendations from farmers.



PLANS FOR IMPLEMENTING THE SOIL BANK (TENTATIVE)

These are the types of administrative regulations which might be needed assuming the legislative proposals which have been made,

I. ACREAGE RESERVE—OBJECTIVE: REDUCE PRODUCTION OF ALLOTMENT CROPS

A. Establishment of yields to serve as a basis of payment:

1. Follow this procedure:

- (a) Use check yields during 1951-55 as a base.
- (b) Break the national yield figure down by States and counties.
- (c) County committeemen determine normal yields for community (these weight out to county normal yields).
- (d) Community committeemen establish a normal yield for each farm in the community which grows the allotment crop concerned. Each such farm will be placed in one of 5 or 7 yield categories, ranging above and below the community average. Adjustment procedures will be used to line yields with community average. (Up to this point everything can be done in the county office and will move rapidly.)
- (e) Individual farmers will be invited to offer land for the acreage reserve which is equal in productivity to land which has been used for the given crop on their farms. Thus they can be quoted a dollar figure per acre for typical land for the allotment crop on the farm. With the possible exception of the first year, farmers should indicate their intention to participate prior to planting time. Farmers may sign up for land better than average for the farm in which case they will receive payments based on a higher yield. If below average, a lower per acre payment will be made.

B. Preliminary payment rates, minimum and maximum participation and cost:

1. Payment rates, the extent to which these rates need to be varied according to quality, location, and other factors is still under study (these figures are preliminary and are being checked in the field):

- (a) Cotton, 50 percent of the average support price.
- (b) Wheat, 50 percent of the support price (legislation may not be forthcoming in time to make a program this year on winter wheat practical).
- (c) Corn, 50 percent of the support price. Discussions continue on the serious difficulties of including corn in this program.
- (d) Rice, 50 percent of the support price.

2. Maximum and minimum participation (these should be administrative matters, not specified in the law; also there should be discretion to take care of farmers who for reasons of sickness or disability may not wish to operate their farms):

- (a) Maximum: Grain, 30 acres or 50 percent of allotment, whichever is larger; cotton, 10 acres or 50 percent of allotment, whichever is larger.
- (b) Minimum: Grain, 10 acres or allotment, whichever is smaller; cotton, 2 acres or allotment, whichever is smaller.

3. Participation and cost, national basis (highly tentative):

|              | Acres which<br>might come<br>in millions | National aver-<br>age yield per<br>acre | Rate of payment based on<br>normal yield | Approximate<br>cost per acre | Total cost<br>(in millions) |
|--------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------|-----------------------------|
| Cotton.....  | 3-5                                      | 303 pounds.....                         | 50 percent of loan level.....            | \$50                         | \$150-250                   |
| Wheat.....   | <sup>1</sup> 12-15                       | 15.8 bushels.....                       | do.....                                  | 17                           | 200-250                     |
| Corn.....    | 4-6                                      | 44.2 bushels <sup>2</sup> .....         | do.....                                  | 38                           | 150-220                     |
| Rice.....    | .3                                       | 2,500 pounds.....                       | do.....                                  | 60                           | 18-20                       |
| Tobacco..... | .1                                       | 1,250 pounds.....                       | do.....                                  | 100                          | 10                          |
| Total.....   | 19.4-26.4                                | .....                                   | .....                                    | .....                        | 528-750                     |

<sup>1</sup> Based on both winter and spring crop.

<sup>2</sup> Commercial corn area yield.

NOTE.—These are based on 90 percent supports and optional parity.

## C. Agreement-landlord tenant relationship:

1. Compensation is to be divided among interested landlords and tenants on the farms in the same proportion as they would have shared in the crop in the absence of a reserve acreage program, unless division on another basis is agreed upon by landlords and tenants and their agreement is approved by the county committee in accordance with standards prescribed by the State committee.

## II. CONSERVATION RESERVE—OBJECTIVE: TAKE OUT THE LESS PRODUCTIVE CROP-LAND

## A. Conservation reserve rental rates:

1. Establishment costs, \$19 per acre, national average:

(a) Pay 80 percent of costs, not to exceed a maximum of \$25 per acre for either forage or trees.

(b) Keep incentives alined with ACP so as not to upset the ACP program.

2. Rental rates:

(a) \$10 per acre, average for the United States.

(b) State rental rates established on basis of land values, productivity, and other factors.

(c) County rental rates would vary on the basis of such factors as county yields and value of farmland. County rates would be adjusted so that the weighted average did not exceed the State rate. No county rate would exceed \$20 per acre.

(d) Farm rental rates would be established on the basis of specified acreage placed in conservation reserve. Rates would be based on relative productivity of specified acreage.

(e) Rental rates would need to be adjusted if grazing is permitted within the contract period.

## B. Practices:

1. Eligible land should be land which was used for the production of row crops or small grain during at least 1 of the last 3 years.

2. Forage (enough seed to plant about 14 million acres in 1956):

(a) Prefer perennials.

(b) Annuals satisfactory when seeded with perennials.

(c) Annuals satisfactory alone when no perennial seed available and appropriate practices can be followed. Due to seed limitations, some latitude may be needed regarding soil protective practices during the first year or two.

3. Trees (enough stock to plant about half a million acres in 1956):

(a) Adapted forest trees.

(b) Shrubs when interplanted for shelterbelt purposes.

4. Water storage:

(a) Cost of water retention dams shared.

## III. OPERATING PROCEDURE

A. We are now checking our tentative inducements and procedures in the field.

B. Develop data as soon as legislative action permits.

C. Hold educational meetings, perhaps on a county basis.

D. Arrange for sign-up dates and meetings.

E. Minimize the number of farm visits by handling as many things at one time as can conveniently be done.

F. There are no funds for administrative work until and unless the Congress acts.

G. If legislative action is not taken prior to April 15 it will be extremely difficult to get a program this year, except for wheat seeded in the fall of 1956.

## IV. THE CERTIFICATES

A. Draw them in terms of dollars.

B. Redemption, if the farmer elects it, to be accomplished by purchase of the relevant commodity at specified rates.

C. Interest rate probably  $3\frac{1}{2}$  percent.

D. Maturity date probably at the time the loan normally would mature. Loans for the various commodities might all be matured at the same date.



## COTTON

## Bolivar County, Miss.:

|                             |                   |              |
|-----------------------------|-------------------|--------------|
| County normal yield.....    | pounds per acre.. | 389          |
| Size of farm.....           | acres..           | 240          |
| Acreage allotment.....      | do.....           | 70           |
| Acres put into reserve..... | do.....           | 15           |
| Farm normal yield.....      | pounds per acre.. | 450          |
| Payment rate per acre.....  |                   | \$67. 50     |
| Payment.....                |                   | \$1, 012. 50 |

## Orangeburg County, S. C.:

|                                             |                   |       |
|---------------------------------------------|-------------------|-------|
| County normal yield.....                    | pounds per acre.. | 323   |
| Size of farm.....                           | acres..           | 60    |
| Acreage allotment.....                      | do.....           | 15    |
| Acres put into reserve.....                 | do.....           | 5     |
| Farm normal yield.....                      | pounds per acre.. | 300   |
| Payment rate per acre.....                  |                   | \$45  |
| Acreage reserve payment.....                |                   | \$225 |
| Conservation reserve acreage.....           | acres..           | 20    |
| Cost of establishing grass.....             |                   | \$500 |
| Payment at 80 percent of cost.....          |                   | \$400 |
| Annual payment.....                         |                   | \$140 |
| Conservation reserve payment, 1st year..... |                   | \$540 |
| Soil bank payment, 1st year.....            |                   | \$765 |

## WHEAT

## Ward County, N. Dak.:

|                                       |                    |          |
|---------------------------------------|--------------------|----------|
| County normal yield.....              | bushels per acre.. | 13. 2    |
| Size of farm.....                     | acres..            | 320      |
| Acreage allotment.....                | do.....            | 120      |
| Acreage put into reserve.....         | do.....            | 30       |
| County loan rate (approximately)..... | per bushel..       | \$1. 80  |
| Farm normal yield.....                | bushels per acre.. | 15       |
| Payment rate per acre.....            |                    | \$13. 50 |
| Payment.....                          |                    | \$405    |

## Cheyenne County, Kans.:

|                                       |                    |           |
|---------------------------------------|--------------------|-----------|
| County normal yield.....              | bushels per acre.. | 20. 7     |
| Size of farm.....                     | acres..            | 240       |
| Acreage allotment.....                | do.....            | 90        |
| Acreage put into reserve.....         | do.....            | 15        |
| County loan rate (approximately)..... | per bushel..       | \$1. 80   |
| Farm normal yield.....                | bushels per acre.. | 19        |
| Payment rate per acre.....            |                    | \$17. 10  |
| Payment.....                          |                    | \$256. 50 |

NOTE.—If 40 acres were put in the reserve, payment would be \$684.

## CORN

## Blue Earth County, Minn.:

|                                       |                    |           |
|---------------------------------------|--------------------|-----------|
| County normal yield.....              | bushels per acre.. | 56. 8     |
| Size of farm.....                     | acres..            | 160       |
| Acreage allotment.....                | do.....            | 50        |
| Acreage put into reserve.....         | do.....            | 10        |
| County loan rate (approximately)..... | per bushel..       | \$1. 30   |
| Farm normal yield.....                | bushels per acre.. | 70        |
| Payment rate per acre.....            |                    | \$45. 50  |
| Payment.....                          |                    | \$455. 00 |

NOTE.—If he elects to put 25 acres into the reserve his payment would be \$1,137.50.

## Marshall County, Iowa:

|                                       |                    |              |
|---------------------------------------|--------------------|--------------|
| County normal yield.....              | bushels per acre.. | 58. 4        |
| Size of farm.....                     | acres..            | 320          |
| Acreage allotment.....                | do.....            | 140          |
| Acreage put into reserve.....         | do.....            | 40           |
| County loan rate (approximately)..... | per bushel..       | \$1. 32      |
| Farm normal yield.....                | bushels per acre.. | 58. 4        |
| Payment rate per acre.....            |                    | \$38. 54     |
| Payment.....                          |                    | \$1, 541. 60 |

## RICE

## Arcadia Parish, La.:

|                                           |                   |           |
|-------------------------------------------|-------------------|-----------|
| Parish normal yield.....                  | pounds per acre.. | 2, 177    |
| Size of farm.....                         | acres.....        | 400       |
| Acreage allotment.....                    | do.....           | 100       |
| Acreage put into reserve.....             | do.....           | 20        |
| Parish loan rate (per hundredweight)..... |                   | \$4. 16   |
| Farm normal yield.....                    | pounds per acre.. | 2, 400    |
| Payment rate per acre.....                |                   | \$49. 92  |
| Payment.....                              |                   | \$998. 40 |

Plus

|                               |             |              |
|-------------------------------|-------------|--------------|
| Cotton-acreage allotment..... | acres.....  | 40           |
| Acreage put into reserve..... | do.....     | 10           |
| Farm normal yield.....        | pounds..... | 400          |
| Cotton payment.....           |             | \$600        |
| Total payment.....            |             | \$1, 558. 40 |

## Colusa County, Calif.:

|                                           |                   |           |
|-------------------------------------------|-------------------|-----------|
| County normal yield.....                  | pounds per acre.. | 3, 084    |
| Size of farm.....                         | acres.....        | 280       |
| Acreage allotment.....                    | do.....           | 90        |
| Acreage put into reserve.....             | do.....           | 10        |
| County loan rate (per hundredweight)..... |                   | \$3. 50   |
| Farm normal yield.....                    | pounds per acre.. | 3, 000    |
| Payment rate per acre.....                |                   | \$52. 50  |
| Payment.....                              |                   | \$525. 00 |

## CONSERVATION RESERVE

## 1. Farm in western Kansas:

960 acres.

100 acres put into conservation reserve.

Total cost of establishing grass cover at \$7 per acre..... \$700

Payment to farmer at 80 percent of the cost..... 560

Yearly rental, based on productivity of the specific acres at \$5 per acre..... 500

Payment to farmer the 1st year, \$560 plus \$500..... 1, 060

Payment in subsequent years for duration of the contract..... 500

## 2. Farm in the Piedmont:

120-acre farm.

Takes out 60 acres, puts 30 in grass, 30 in trees.

Total cost of establishing 30 acres of grass at \$30..... \$900

Total cost of establishing 30 acres of trees at \$12..... 360

Payment to farmer equal to 80 percent of costs..... 1, 008

Annual payment, based on productivity of the reserve acres, at \$8 per acre..... 480

Payment 1st year, \$1,008, plus \$480..... 1, 488

Payment in subsequent years for duration of the contract..... 480

## 3. Farm in New England:

150-acre farm.

Puts 30 acres into conservation reserve.

Total cost of establishing grass cover at \$35 per acre..... \$1, 050

Payment to farmer at 80 percent of the costs but not to exceed \$25 per acre..... 750

Rental at \$10 per acre..... 300

Total payment, 1st year, \$750 plus \$300..... 1, 050

Payment in following years for duration of the contract..... 300

## 4. Farm in the Corn Belt:

320-acre farm.

Puts 20 acre hill field into conservation reserve.

Total cost of establishing grass cover at \$25 per acre..... \$500

Payment to farmer at 80 percent of the cost..... 400

Rental at \$15 per acre..... 300

Total payment, 1st year, \$300 plus \$300..... 700

Payment in following years for duration of the contract..... 300



CORN AND WHEAT

Montgomery County, Ill.:

|                                |                  |         |
|--------------------------------|------------------|---------|
| Size of farm                   | acres            | 320     |
| County corn yield              | bushels          | 56.1    |
| Corn acreage allotment         | acres            | 100     |
| Farm normal yield              | bushels per acre | 60      |
| Acreage put into reserve       | acres            | 50      |
| County loan rate (approximate) |                  | \$1.42  |
| Payment rate per acre          |                  | \$42.60 |
| Payment                        |                  | \$2,130 |
| County wheat yield             | bushels          | 24.4    |
| Wheat acreage allotment        | acres            | 40      |
| Farm normal yield              | bushels per acre | 25      |
| Acreage put into reserve       | acres            | 20      |
| County loan rate (approximate) |                  | \$1.90  |
| Payment rate per acre          |                  | \$24.75 |
| Payment                        |                  | \$495   |
| Total acreage reserve payment  |                  | \$2,625 |

For reference purposes there follows a statement showing data on planted acreages, production and CCC loan and inventory stocks of the commodities eligible under the acreage reserve program.

U. S. DEPARTMENT OF AGRICULTURE

COMMODITY STABILIZATION SERVICE

*Acreage, production, CCC stocks, and CCC loan operations, principal crops*

All cotton:

|                                     |       |            |
|-------------------------------------|-------|------------|
| Acreage in cultivation July 1, 1955 | acres | 17,489,000 |
| Production 1955                     | bales | 14,476,000 |
| CCC-owned stocks Feb. 8, 1956       | do    | 7,115,816  |
| Under CCC loan Feb. 3, 1956         | do    | 6,602,887  |

Corn:

|                                |         |               |
|--------------------------------|---------|---------------|
| Acreage planted 1955           | acres   | 81,577,000    |
| Production 1955                | bushels | 3,184,836,000 |
| CCC-owned stocks Jan. 18, 1956 | do      | 745,377,000   |
| Under CCC loan Jan. 15, 1956   | do      | 200,300,000   |

Wheat:

|                                |         |             |
|--------------------------------|---------|-------------|
| Acreage planted 1955           | acres   | 58,284,000  |
| Production 1955                | bushels | 938,159,000 |
| CCC-owned stocks Jan. 18, 1956 | do      | 857,471,000 |
| Under CCC loan Jan. 15, 1956   | do      | 256,480,000 |

Rice (rough):

|                                |               |            |
|--------------------------------|---------------|------------|
| Acreage planted 1955           | acres         | 1,842,000  |
| Production 1955                | hundredweight | 53,420,000 |
| CCC-owned stocks Jan. 18, 1956 | do            | 18,532,000 |
| Under CCC loan Jan. 15, 1956   | do            | 14,925,000 |

Tobacco:<sup>1</sup>

|                                                                         |        |            |
|-------------------------------------------------------------------------|--------|------------|
| Cigar binder, type 51—                                                  |        |            |
| Acreage harvested 1955                                                  | acres  | 7,900      |
| Production                                                              | pounds | 12,401,000 |
| CCC-owned stocks Dec. 31, 1955                                          |        | None       |
| Under CCC loan through associations, types 51 and 52, Dec. 31, 1955     | pounds | 7,660,000  |
| Cigar binder, type 52—                                                  |        |            |
| Acreage harvested                                                       | acres  | 5,700      |
| Production 1955                                                         | pounds | 10,117,000 |
| CCC-owned stocks Dec. 31, 1955                                          |        | None       |
| Under CCC loan Dec. 31, 1955. (Included with 51 above.)                 |        |            |
| Cigar binder, type 54—                                                  |        |            |
| Acres harvested 1955                                                    | acres  | 4,700      |
| Production 1955                                                         | pounds | 6,815,000  |
| CCC-owned stocks                                                        | do     | 95,000     |
| Under CCC loan through associations, types 54 and 55, December 31, 1955 | pounds | 5,541,000  |

<sup>1</sup> All tobacco data except acreage are on farm-sales-weight basis.

*Acreage, production, CCC stocks, and CCC loan operations, principal crops—Con.*

**Tobacco—Continued**

**Cigar binder, type 55—**

|                                           |          |              |
|-------------------------------------------|----------|--------------|
| Acres harvested 1955-----                 | acres--  | 9, 700       |
| Production 1955-----                      | pounds-- | 12, 778, 000 |
| CCC-owned stocks-----                     |          | None         |
| Under CCC loan. (Included with 54 above.) |          |              |

**Burley—**

|                                                                             |          |               |
|-----------------------------------------------------------------------------|----------|---------------|
| Acres harvested 1955-----                                                   | acres--  | 322, 300      |
| Production 1955-----                                                        | pounds-- | 509, 835, 000 |
| CCC stocks-----                                                             |          | None          |
| Under CCC loans Dec. 31, 1955 of which 72,800,000 lbs.<br>is 1955 crop----- | pounds-- | 476, 100, 000 |

**Flue cured—**

|                                                                                             |          |                  |
|---------------------------------------------------------------------------------------------|----------|------------------|
| Acres harvested 1955-----                                                                   | acres--  | 991, 700         |
| Production 1955-----                                                                        | pounds-- | 1, 504, 075, 000 |
| CCC-owned stocks-----                                                                       |          | None             |
| Under CCC loan Dec. 31, 1955 including practically<br>all of 1955 that will be covered----- | pounds-- | 597, 500, 000    |

**TITLE III—SURPLUS DISPOSAL**

*Section 301. Authority to add corn to set-aside*

Section 301 gives the Secretary discretionary authority to add not to exceed 250 million bushels of corn to the set-aside established pursuant to section 101 of the Agricultural Act of 1954.

The Agricultural Act of 1954 provided for the insulation from commercial markets of up to \$2,500 million worth of commodities held or thereafter acquired from 1954 and prior year's production. The maximum and minimum quantities specified in the law and the actual quantities set aside as of December 31, 1955, are as follows:

**TABLE 7**

| Commodity                     | Maximum<br>quantity | Minimum<br>quantity | Quantity in<br>set-aside as of<br>Dec. 31, 1955 |
|-------------------------------|---------------------|---------------------|-------------------------------------------------|
| Wheat-----bushels             | 500, 000, 000       | 400, 000, 000       | 420, 286, 393                                   |
| Upland cotton-----bales       | 4, 000, 000         | 3, 000, 000         | 2, 632, 456                                     |
| Cottonseed oil-----pounds     | 500, 000, 000       |                     |                                                 |
| Butter-----do                 | 200, 000, 000       |                     |                                                 |
| Nonfat dry milk solids-----do | 300, 000, 000       |                     |                                                 |
| Cheese-----do                 | 150, 000, 000       |                     |                                                 |



The price-support level for corn has been announced for the 1956 crop at 81 percent of parity, or \$1.40 per bushel, based on the indicated supply situation and the January 15, 1956, parity. Had 250,000,000 bushels of corn been included in the set-aside at the time these determinations were made, the change in supply data would have resulted in a support price of 84 percent of parity, or \$1.45.

*Section 302. Program of orderly liquidation*

Section 302 requires the Secretary to submit to Congress within 60 days after the enactment of the act a detailed program for the disposition of all stocks of agricultural commodities held by CCC and to report annually thereafter on operations undertaken to dispose of such stocks.

There follows a statement showing the quantity and value of commodities pledged for outstanding CCC loans and commodities in price-support inventory of the CCC as of December 31, 1955, with a comparison in total as of December 31, 1954. (Quantity data shown include the quantities in the set-aside inventory as of the respective dates.)

TABLE 8.—Quantity and value of commodities pledged for outstanding loans and commodities in price-support inventory as of Dec. 31, 1955, and total investment as of Dec. 31, 1954

[All figures in thousands]

| Commodity                                  | Unit of measure    | Investment as of Dec. 31, 1955 <sup>1</sup> |           |              |             |           |             | Total investment as of Dec. 31, 1954 <sup>1</sup> |             |
|--------------------------------------------|--------------------|---------------------------------------------|-----------|--------------|-------------|-----------|-------------|---------------------------------------------------|-------------|
|                                            |                    | Pledged for loans                           |           | In inventory |             | Total     |             |                                                   |             |
|                                            |                    | Quantity                                    | Value     | Quantity     | Value       | Quantity  | Value       |                                                   |             |
| Basic commodities:                         |                    |                                             |           |              |             |           |             |                                                   |             |
| Corn.....                                  | Bushels.....       | 180,159                                     | \$277,579 | 757,612      | \$1,300,323 | 937,771   | \$1,577,902 | 757,756                                           | \$1,237,164 |
| Cotton, extra long staple.....             | Bales.....         | 13                                          | 3,566     | 93           | 33,975      | 106       | 37,541      | 84                                                | 20,519      |
| Cotton, upland.....                        | do.....            | 5,422                                       | 893,034   | 7,921        | 1,437,071   | 13,343    | 2,330,105   | 8,424                                             | 1,428,692   |
| Peanuts, farmers' stock.....               | Pounds.....        | 290,746                                     | 32,856    | 6,033        | 608         | 296,779   | 33,524      | 12,968                                            | 1,351       |
| Rice.....                                  | Hundredweight..... | 12,115                                      | 64,158    | 15,387       | 175,902     | 27,502    | 240,060     | 15,369                                            | 84,701      |
| Tobacco.....                               | Pounds.....        | 1,053,976                                   | 597,808   | 231          | 92          | 1,054,207 | 597,900     | 725,891                                           | 346,279     |
| Wheat.....                                 | Bushels.....       | 221,241                                     | 455,343   | 888,542      | 2,399,042   | 1,109,783 | 2,854,385   | 1,106,257                                         | 2,756,649   |
| Total basic commodities.....               |                    |                                             | 2,324,344 |              | 5,347,073   |           | 7,671,417   |                                                   | 5,884,355   |
| Designated nonbasic commodities:           |                    |                                             |           |              |             |           |             |                                                   |             |
| Honey.....                                 | Pounds.....        | 986                                         | 105       |              |             | 986       | 105         | 1,725                                             | 218         |
| Milk and butterfat:                        |                    |                                             |           |              |             |           |             |                                                   |             |
| Butter.....                                | do.....            |                                             |           | 166,399      | 100,685     | 166,399   | 100,685     | 451,541                                           | 292,678     |
| Butter oil.....                            | do.....            |                                             |           | 23,980       | 20,613      | 23,980    | 20,613      |                                                   |             |
| Cheese.....                                | do.....            |                                             |           | 333,002      | 131,250     | 333,002   | 131,250     | 437,706                                           | 175,109     |
| Milk, dried.....                           | do.....            |                                             |           | 161,714      | 28,216      | 161,714   | 28,216      | 268,259                                           | 43,642      |
| Whey.....                                  | do.....            |                                             |           | 8,180        | 503         | 8,180     | 503         | 85,122                                            | 3,471       |
| Tung oil.....                              | do.....            |                                             |           | 22,988       | 5,850       | 22,988    | 5,850       | 38,516                                            | 9,459       |
| Wool.....                                  | do.....            |                                             |           | 140,059      | 94,156      | 140,059   | 94,156      | 145,445                                           | 96,657      |
| Total designated nonbasic commodities..... |                    |                                             | 105       |              | 381,273     |           | 381,378     |                                                   | 621,234     |
| Other nonbasic commodities:                |                    |                                             |           |              |             |           |             |                                                   |             |
| Barley.....                                | Bushels.....       | 69,152                                      | 61,147    | 31,261       | 43,966      | 100,413   | 105,113     | 94,694                                            | 109,142     |
| Beans, dry edible.....                     | Hundredweight..... | 2,284                                       | 15,005    | 1,865        | 14,755      | 4,149     | 29,760      | 3,210                                             | 24,870      |
| Cottonseed and products:                   |                    |                                             |           |              |             |           |             |                                                   |             |
| Cottonseed.....                            | Pounds.....        | (4)                                         | 7         | 495,830      | 47,771      | 495,830   | 47,771      | 663,989                                           | 64,560      |
| Cottonseed meal.....                       | Tons.....          |                                             |           | 53           | 2           | 53        | 2           | (2)                                               | 2           |
| Cottonseed oil.....                        | Pounds.....        |                                             |           | 17,878       | 2,801       | 17,878    | 2,801       | 604,489                                           | 107,551     |
| Flaxseed.....                              | do.....            |                                             |           | 438          | 7,123       | 438       | 7,123       | 6,153                                             | 19,649      |
| Grain sorghum.....                         | Hundredweight..... | 6,685                                       | 18,925    | 26,452       | 77,379      | 69,935    | 20,442      | 51,260                                            | 126,438     |
| Linseed oil.....                           | Pounds.....        | 43,483                                      | 75,828    | 57,256       | 8,385       | 57,256    | 8,385       | 130,828                                           | 22,306      |



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<sup>1</sup> Book value before deduction of reserve for losses.

2 Less than a thousand.

*Section 303. Reestablishment of historic share of world cotton market*

Section 303 directs Commodity Credit Corporation to use its existing powers and authorities to reestablish and maintain the fair historical share of the world market for United States cotton. Under this authority the Secretary would be directed to initiate immediately an export program for cotton so that it will move into export channels at competitive world prices. The program developed could provide either for the sale of CCC cotton for export at competitive world prices or for a cash export subsidy on United States cotton sufficient to make it competitive in world markets. The section also provides that cotton made available by CCC under section 102 of the Agricultural Trade Development and Assistance Act of 1954 shall be sold at competitive world prices. Cotton made available is intended to include cotton sold from its stocks by CCC as well as cotton made available for export under the program through CCC financing of exportations from private stocks.

The Department initiated a special cotton export program January 1, 1956, and 723,469 bales were sold during the first 6 weeks of the program. The cotton has been sold at prices averaging about \$45 per bale under the minimum price at which it could have been sold for unrestricted use under section 407 of the Agricultural Act of 1949, as amended.

*Section 304. Extra long staple cotton*

Section 304 directs the Secretary of Agriculture to provide sufficient incentive to domestic users of extra long staple cotton to assure domestic utilization of a minimum of 30,000 bales of such cotton annually and authorizes appropriations for such purpose.

*Section 305. Section 32 funds supplemented*

Section 305 of the bill authorizes an annual appropriation of \$250 million, free of the existing 25 percent limitation on the expenditure of funds with respect to any one commodity, to enable the Secretary of Agriculture to further carry out the provisions of section 32.

There follows a statement of the section 32 funds available for the fiscal year 1956:

|                                                    |                 |
|----------------------------------------------------|-----------------|
| Carried forward from 1955.....                     | \$300, 000, 000 |
| Appropriated (30 percent of customs receipts)..... | 166, 807, 174   |
| <hr/>                                              |                 |
| Total available under sec. 32.....                 | 466, 807, 174   |
| Deduct transfer to Interior Department.....        | —4, 322, 879    |
| <hr/>                                              |                 |
| Total available to USDA.....                       | 462, 484, 295   |

Section 32, enacted in August 1935, appropriates for each fiscal year an amount equal to 30 percent of the previous calendar year's customs receipts for the purpose of encouraging the domestic consumption and exportation of agricultural commodities. The Agricultural Act of 1948 provides that up to \$300 million of unused prior year balances remain available for use.

Section 32, as amended (7 U. S. C. 612c), provides that the amount that may be devoted during any fiscal year to any one agricultural commodity or the products thereof shall not exceed 25 percent of the funds available under this section for such fiscal year and also that the funds "shall be devoted principally" to nonbasic perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended.



Public Law 393, 76th Congress (53 Stat. 1411 and 1412), as amended by Public Law 466, 83d Congress, provides that section 32 funds in an amount equal to 30 percent of customs receipts collected on fishery products shall be transferred to the Secretary of the Interior. Also, Public Law 311 of August 9, 1955 (84th Cong.) authorizes the use of \$15 million to meet commodity program costs in each of the fiscal years 1956 and 1957 for the purchase and donation of wheat flour and cornmeal to needy persons without regard to the requirement relating to the amounts to be devoted to perishables. In addition to these limitations and requirements for section 32 funds, their use is also authorized by section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1392 (b)), for operating expenses and administration of other laws such as the Marketing Agreement Act of 1937.

The use of section 32 funds for program operations varies from year to year, depending upon economic conditions with respect to particular commodities as well as the outlets which may be available for commodities purchased. Based on total funds available under section 32 for fiscal year 1956, the largest amount that can be devoted to commodity program costs for any one commodity or product thereof is \$116,701,793. This would include the direct program costs of purchasing, processing, packaging, transporting, etc. Administrative expenses of the Department in connection with section 32 programs are not included in the calculation of the amount devoted to any one commodity. The largest amount previously devoted to any one commodity was in the fiscal year 1954 when \$87,129,232, or the equivalent of 18.3 percent of total funds available, was used for commodity program costs for the purchase and donation of dairy products.

*Section 306. Transfer of barter materials to supplemental stockpile*

Section 306 provides for the transfer to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 of materials acquired by CCC under the barter program unless such materials were acquired for the national stockpile or were acquired for other purposes, and authorizes appropriations to reimburse CCC for the value of any materials so transferred. This section also provides that strategic materials acquired by CCC as a result of barter may be imported free of duty as in the case of strategic materials imported for the national stockpile. Although it would appear that materials imported by CCC are already exempt under the provisions of 15 United States Code 713a-5, which exempts CCC from all taxation except real estate taxes, it is understood that the Bureau of Customs has raised a question whether this exemption extends to import duties. The present section will make it clear that materials entered by CCC are exempt from duties.

*Section 307. Sales for foreign currency exempted from cargo preference*

Section 307 removes sales for foreign currency under title I of the Agricultural Trade Development and Assistance Act of 1954 from the requirement of the cargo preference statute, Public Law 664, 83d Congress, that at least 50 percent of commodities transported on ocean vessels under certain foreign aid programs and other Government programs shall be transported on privately owned United States-flag vessels.

From the inception of the title I program under Public Law 480 through January 31, 1956, agreements have been entered into with 22 countries providing for the sale of approximately \$517 million worth of commodities at export market value. The cost to the Commodity Credit Corporation of financing these sales will be about \$769 million. Ocean freight costs involved in moving these commodities and financed by the United States will amount to about \$53 million. The export market value of the commodities plus the amount of ocean freight financed, except for differentials absorbed by the United States, is paid by the importing countries in their own currencies.

In applying the cargo preference law to the program, at least 50 percent of each commodity to each country is required to be moved on United States flag vessels, if available. Also, at least 50 percent of shipments in each of the categories, liner, tramp, and tanker are required to move on United States flag vessels, if available. Compliance with these requirements is assured through prior approval by the Department of all vessel charters and liner bookings.

The Commodity Credit Corporation finances ocean transportation costs on United States vessels when such vessels are required to be used in order to assure compliance with the provisions of the Cargo Preference Act. The amount by which freight costs on such vessels exceed the prevailing rate on foreign flag vessels is absorbed by the United States. Ocean transportation costs on United States vessels over and above that necessary to comply with the provisions of the Cargo Preference Act and on third country vessels is financed only to the extent that the importing country is unable to pay such costs. Transportation costs on vessels of the importing country are not financed under the program.

Approximately 53 percent of the total tonnage was approved for shipment on United States-flag vessels. Tramp tonnage was about 81 percent of the total, liner tonnage about 18 percent, and tanker tonnage about 1 percent. The 18 percent liner tonnage breaks down, 13 percent United States flag and 5 percent foreign flag. Tramp tonnage divided about 40 percent United States and 41 percent foreign, the 1 percent in favor of foreign tramps being the result of the shortage of United States-flag tramps to carry wheat to Yugoslavia during February of 1955. Since that time no appreciable difficulty has been experienced in the chartering of sufficient United States-flag vessels.

Your committee is firmly convinced that the maintenance of our merchant marine fleet is essential to national welfare and security. However, such governmental support as is necessary for maintenance should be directly provided and should not be at the expense of the farm program. The word "expense" is used in this connection to connote not so much monetary expense as the expense of curtailed dispositions of surpluses under the program and hampered efforts to obtain the liberalization of restrictions against the commercial importation of United States agricultural products into maritime nations.

The Department reported favorably on S. 2584, a bill to exempt the title I program from cargo preference, for the following reasons:

First, we have lost opportunities to move commodities to a number of countries. Only one country, Denmark, has definitely rejected the possibility of negotiating a title I program because of cargo preference. Difficulties in securing acceptance of cargo preference by three other



maritime nations have delayed negotiations for extended periods. These negotiations have not been terminated, however, and efforts are being continued to overcome this resistance. It is impossible to estimate with any degree of accuracy the value of commodity movement lost because of this problem.

Second, the cargo-preference requirement has resulted in added cost to the farm program. It is necessary to provide dollar financing of ocean freight charges on United States-flag vessels required to be used. Total freight approved for financing during 1955 was about \$31 million. About \$12 million of this was on United States vessels required to be used in programs with maritime nations which carried all or substantially all of the non-United States-flag tonnage in their own vessels. In the absence of the United States-flag requirement these countries could be expected to participate in the program without any financing of ocean freight by the United States.

In addition to financing the freight charges on United States-flag vessels required to be used, it is necessary for the United States to absorb the differential resulting from use of such vessels where shipment would be cheaper on foreign-flag vessels. On vessels approved during 1955, differentials amounting to about \$3 million will have been paid by CCC. This amount will not be covered by foreign-currency payments of the importing countries.

Third, the cargo-preference requirement is hampering efforts to obtain trade liberalization on agricultural commodities. Many importing countries discriminate against imports of United States commodities through quotas, exchange controls, and other restrictions. The Department of Agriculture is making a determined effort to obtain liberalization of such restrictions as part of its overall program to expand exports of United States farm commodities. Obviously, it is difficult for the United States to argue for the lifting of restrictions while imposing restrictions of its own. Maritime nations argue that the freedom of their merchant fleets to compete in the world market is as important to them as the freedom of our farmers to compete in the world market is to us.

#### *Section 308. Surplus Disposal Administrator*

Section 308 authorizes the Secretary of Agriculture to appoint an Agricultural Surplus Disposal Administrator at a salary rate of not exceeding \$15,000 per annum. This authority is needed in order to secure the best qualified person available. Under present legislation Department final authority to determine compensation for this position is limited to GS-15 with a base rate of \$11,610. The possibilities of having the position established in GS-18 (\$14,800) through Civil Service Commission channels are quite remote under present numerical restrictions of the Classification Act.

#### *Section 309. State Contribution in Disaster Relief*

Section 309 of the bill provides that after March 1, 1957, the States must contribute at least 15 percent of the cost of feed or seed made available for disaster relief.

During the fiscal year 1955 there were two programs of this nature in effect. Under the 1955 emergency feed program, eligible farmers received purchase orders enabling them to buy from established dealers at reduced prices, certain designated surplus feed grains, such as barley, corn, wheat, grain sorghums and oats, or approved mixed

feed containing a high percentage of the surplus feed grains. Dealers received a certificate representing the value of the reduction in the price of the feed and used it to buy replacement stocks which eventually came from CCC inventories. The cost of this program to the Government during the fiscal year 1955, represented by the value of CCC inventories released in satisfaction of dealer's certificates was approximately \$61,200,000. Had the States been required to contribute 15 percent of the cost of this program during the fiscal year 1955 their contribution would have amounted to \$9,180,000. The emergency feed program was operative as of January 31, 1956, in Colorado, Kansas, Nevada, North Carolina, Oregon, Texas, Utah, and Wyoming.

A second program conducted during the fiscal year involved the execution of agreements with States to assist them in furnishing hay to eligible farmers. Under these agreements the Department contributed a definite sum to the State to defray one-half the cost of transportation of the hay (not to exceed \$10 per ton). The total of such contributions during the fiscal year 1955 was \$4,684,839. Since the States assumed at least half of the transportation costs for hay, as well as the costs incident to the purchase and distribution of such hay, they would not have to make any additional contributions in a program such as this. North Carolina is the only State with which the Department has a hay agreement at the present time.

#### TITLE IV—MARKETING QUOTAS AND ACREAGE ALLOTMENTS

##### *Section 401. Extension of surrender and reapportionment*

Section 401 extends to the 1956 and 1957 crops of wheat the provisions of section 334 (f) of the Agricultural Adjustment Act of 1938, as amended, whereby wheat producers who do not plant all their wheat allotments can release the unused portion of the allotment. The amount released would be deducted from the allotment for the farm from which released and would be reapportioned by the county committee to other farms in the same county. If not needed in the county, the county committee could surrender the acreage to the State committee for the purposes of establishing new farm allotments. In establishing future allotments, acreages so released and reapportioned are credited to the releasing farms rather than to the farms to which surrendered. Provision for permanent release of allotments is made.

Since release and reapportionment to be effective must be accomplished prior to planting time, extension of the provision to cover the 1956 crop would be applicable only in areas where spring wheat is grown and not in areas where only winter wheat can be grown.

##### *Section 402. Commercial wheat producing area*

Section 402 would amend the provision in the Agricultural Adjustment Act of 1938 for determining the noncommercial wheat-producing area. Under present law any State may be excluded from the commercial wheat-producing area for any year if its State allotment for such year is determined to be 25,000 acres or less. As amended, the Secretary would be required to exclude any State from the commercial area for any year if the State allotment for the immediately preceding year is determined to be 240,000 acres or less. By basing the determi-



nation on the size of the allotment for the preceding year and making the action of the Secretary mandatory, States will be able to know well in advance whether they will be in the commercial area.

The States which would be included in the noncommercial wheat area under the proposal to include all States with 240,000 acres or less in the State wheat allotment, based on 1956 State wheat allotments, are as follows:

(a) 12 States included on the basis of the present "25,000 acres or less" provision:

|                    | <i>Acres</i> |                    | <i>Acres</i> |
|--------------------|--------------|--------------------|--------------|
| Alabama.....       | 14, 505      | Mississippi.....   | 21, 143      |
| Arizona.....       | 17, 533      | Nevada.....        | 11, 616      |
| Connecticut.....   | 626          | New Hampshire..... | 71           |
| Florida.....       | 1, 329       | Rhode Island.....  | 603          |
| Louisiana.....     | 3, 184       | Vermont.....       | 432          |
| Maine.....         | 1, 347       |                    |              |
| Massachusetts..... | 687          | Total.....         | 73, 076      |

(b) 11 additional States which would become noncommercial under the proposed "240,000 acres or less" provision:

|                 | <i>Acres</i> |                     | <i>Acres</i> |
|-----------------|--------------|---------------------|--------------|
| Arkansas.....   | 47, 433      | South Carolina..... | 133, 488     |
| Delaware.....   | 36, 370      | Tennessee.....      | 199, 261     |
| Georgia.....    | 105, 624     | West Virginia.....  | 42, 956      |
| Iowa.....       | 139, 443     | Wisconsin.....      | 45, 174      |
| Kentucky.....   | 219, 495     |                     |              |
| Maryland.....   | 187, 546     | Total.....          | 1, 211, 931  |
| New Jersey..... | 55, 141      |                     |              |

The total 1956 allotment acreage involved in the proposed "240,000 acres or less" provision is 1,285,007 or 2.2 percent of the national allotment of 55 million acres. There follows a statement of the acreage allotments for the 36 States included in the commercial area under the "25,000 acres or less" provision:

*1956 allotment*

|                     | <i>Acres</i> |                      | <i>Acres</i> |
|---------------------|--------------|----------------------|--------------|
| Arkansas.....       | 47, 433      | Ohio.....            | 1, 594, 233  |
| California.....     | 455, 719     | Oklahoma.....        | 4, 860, 057  |
| Colorado.....       | 2, 702, 237  | Oregon.....          | 819, 522     |
| Delaware.....       | 36, 370      | Pennsylvania.....    | 620, 185     |
| Georgia.....        | 105, 624     | South Carolina.....  | 133, 488     |
| Idaho.....          | 1, 159, 816  | South Dakota.....    | 2, 749, 275  |
| Illinois.....       | 1, 384, 461  | Tennessee.....       | 199, 261     |
| Indiana.....        | 1, 166, 484  | Texas.....           | 4, 227, 136  |
| Iowa.....           | 139, 443     | Utah.....            | 314, 994     |
| Kansas.....         | 10, 587, 206 | Virginia.....        | 261, 043     |
| Kentucky.....       | 219, 495     | Washington.....      | 2, 009, 033  |
| Maryland.....       | 187, 546     | West Virginia.....   | 42, 956      |
| Michigan.....       | 969, 478     | Wisconsin.....       | 45, 174      |
| Minnesota.....      | 726, 503     | Wyoming.....         | 303, 725     |
| Missouri.....       | 1, 163, 686  |                      |              |
| Montana.....        | 4, 002, 138  | Total commercial     |              |
| Nebraska.....       | 3, 200, 332  | area.....            | 54, 871, 924 |
| New Jersey.....     | 55, 141      | Total noncommercial  |              |
| New Mexico.....     | 465, 924     | area.....            | 73, 076      |
| New York.....       | 312, 175     | National reserve.... | 55, 000      |
| North Carolina..... | 283, 395     |                      |              |
| North Dakota.....   | 7, 321, 263  | Grand total.....     | 55, 000, 000 |

*Section 403. Small farm allotments for cotton*

Section 403 would amend section 344 of the Agricultural Adjustment Act of 1938, as amended, to provide for reserving not to exceed 1 percent of the national acreage allotment to assist in establishing minimum farm allotments. The State committee would be required to reserve as much as 3 percent of the State allotment, if needed, to supplement the acreage allocated to the State from the national reserve. Under existing law, the county allotment is used first to establish minimum farm allotments at the smaller of 5 acres or the highest acreage planted on the farm in the preceding 3 years, in all counties where farm allotments are established on the "cropland factor" basis and in other counties where allotments are established on the "historical" basis and the county committee elects to establish such minimum farm allotments. The proposed amendments to section 344 of the act would change the fixed acreage portion of the minimum allotment provision from 5 acres to 4 acres and would require minimum farm allotments to be established in all counties regardless of the allotment basis used. The Secretary would determine, on the basis of data available in connection with past allotment programs and such surveys as he deems necessary to obtain additional data on which to base estimates, the additional acreage which would be required to establish minimum farm allotments (assuming that allotments were first made on a cropland or history basis). The acreage so determined would be used as a basis for allocating the national acreage reserve to States and for allocating such reserve, as well as acreage from the State reserve for minimum allotments, to counties.

The national acreage allotment announced for the 1956 cotton crop is 17,391,304 acres. One percent of this total would be 173,913 acres.

*Section 404. Minimum State acreage allotments for 1956 rice crop*

Section 404 would amend section 353 of the Agricultural Adjustment Act of 1938, as amended, to provide minimum State rice acreage allotments for 1956 equal to 85 percent of the final allotment established for 1955. Any acreage apportioned to farms in the State from the national reserve acreage would be included in determining the minimum allotment. The final allotment for 1955 would include the State allotment originally determined plus the increased acreages allotted in the State through legislation enacted after State allotments were originally determined.

In States having county allotments the increase in State allotments would be apportioned among counties on the same basis as the State allotment had theretofore been apportioned among counties, but without regard to adjustments for trends in acreage.

The additional acreage apportioned to each State by this section is shown in the last column of the following table:



TABLE 9.—*Rice: Additional allotment acreage that would be apportioned to State under sec. 404 of S. 3183*

| State                    | Total rice acreage apportioned to State for 1955 | 85 percent of total rice acreage apportioned to State for 1955 | Total rice acreage apportioned to State for 1956 | Additional acreage required for 1956 to provide allotment equal to 85 percent of final allotment for 1955 |
|--------------------------|--------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Arkansas.....            | 453,850                                          | 385,772                                                        | 399,084                                          | 0                                                                                                         |
| California.....          | 352,729                                          | 299,820                                                        | 297,174                                          | 2,646                                                                                                     |
| Louisiana.....           | 558,934                                          | 475,094                                                        | 465,773                                          | 9,321                                                                                                     |
| Texas.....               | 496,929                                          | 422,390                                                        | 421,360                                          | 1,030                                                                                                     |
| Mississippi.....         | 54,921                                           | 46,683                                                         | 46,267                                           | 416                                                                                                       |
| Arizona.....             | 269                                              | 229                                                            | 227                                              | 2                                                                                                         |
| Florida.....             | 1,126                                            | 957                                                            | 949                                              | 8                                                                                                         |
| Illinois.....            | 24                                               | 20                                                             | 20                                               | 0                                                                                                         |
| Missouri.....            | 5,388                                            | 4,580                                                          | 4,557                                            | 23                                                                                                        |
| North Carolina.....      | 34                                               | 29                                                             | 29                                               | 0                                                                                                         |
| Oklahoma.....            | 175                                              | 149                                                            | 147                                              | 2                                                                                                         |
| South Carolina.....      | 3,350                                            | 2,847                                                          | 2,783                                            | 64                                                                                                        |
| Tennessee.....           | 605                                              | 514                                                            | 517                                              | 0                                                                                                         |
| United States total..... | 1,928,334                                        | 1,639,084                                                      | 1,638,887                                        | 13,512                                                                                                    |

*Section 405. Preservation of unused acreage allotments*

Section 405 would provide that with respect to the 1956 and subsequent crops of any commodity for which acreage allotments under the Agricultural Adjustment Act of 1938, as amended, were in effect, the entire acreage allotment for the farm would be considered for purposes of future farm acreage allotments as having been planted to the commodity in such year if the owner or operator of the farm notified the county committee prior to the 60th day preceding the beginning of the marketing year of his desire to preserve the farm acreage allotment of the commodity. This provision would not be applicable to any farm on which no acreage of the commodity was planted for 4 successive years or in any case in which the amount of the commodity of any previous crop stored to postpone or avoid payment of penalty had been reduced because the allotment was not fully planted. No other farm would be permitted to use the acreage of which notice was given under the section.

## TITLE V—RICE

*Section 501. Two-price plan for rice*

Section 501 provides that the national acreage allotment of rice for 1957 shall not be less than the national acreage allotment for 1956, including any acreage allotted under section 404 of the bill. The 1957 allotment will be apportioned among the States in the same proportion as in 1956. The effect of this provision on 1957 State acreage allotments is shown in the last two columns of the following table.

TABLE 10.—*Rice: Indicated 1957 State acreage allotments under S. 3183 as compared with indicated 1957 State allotments under the present law and 1956 State allotments now in effect*

| State                     | 1956 State acreage allotment | Additional acreage apportioned to State from 1956 national reserve | Total acreage apportioned to State for 1956 | Total acreage apportioned to State for 1956, adjusted for increase under sec. 404 of S. 3183 | Indicated 1957 State allotment under present law <sup>1</sup> | Indicated 1957 State allotment under S. 3183 |
|---------------------------|------------------------------|--------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|
| Arkansas.....             | 399,084                      | 0                                                                  | 399,084                                     | 399,084                                                                                      | 402,852                                                       | 399,084                                      |
| California.....           | 297,100                      | 74                                                                 | 297,174                                     | 299,820                                                                                      | 296,691                                                       | 299,820                                      |
| Louisiana.....            | 460,704                      | 5,069                                                              | 465,773                                     | 475,094                                                                                      | 463,416                                                       | 475,094                                      |
| Texas.....                | 421,360                      | 0                                                                  | 421,360                                     | 422,390                                                                                      | 419,479                                                       | 422,390                                      |
| Mississippi.....          | 41,422                       | 4,845                                                              | 46,267                                      | 46,683                                                                                       | 42,555                                                        | 46,683                                       |
| Arizona.....              | 10                           | 217                                                                | 227                                         | 229                                                                                          | -----                                                         | 229                                          |
| Florida.....              | 887                          | 62                                                                 | 949                                         | 957                                                                                          | 888                                                           | 957                                          |
| Illinois.....             | 11                           | 9                                                                  | 20                                          | 20                                                                                           | 14                                                            | 20                                           |
| Missouri.....             | 3,673                        | 884                                                                | 4,557                                       | 4,580                                                                                        | 4,005                                                         | 4,580                                        |
| North Carolina.....       | 27                           | 2                                                                  | 29                                          | 29                                                                                           | 23                                                            | 29                                           |
| Oklahoma.....             | 38                           | 109                                                                | 147                                         | 149                                                                                          | 63                                                            | 149                                          |
| South Carolina.....       | 1,958                        | 825                                                                | 2,783                                       | 2,847                                                                                        | 2,040                                                         | 2,847                                        |
| Tennessee.....            | 517                          | 0                                                                  | 517                                         | 517                                                                                          | 502                                                           | 517                                          |
| Total, United States..... | 1,626,791                    | 12,096 (197)                                                       | 1,638,887 (197)                             | 1,652,399 (197)                                                                              | 1,632,528                                                     | 1,652,399                                    |
| National reserve.....     | 12,293                       |                                                                    |                                             |                                                                                              | 46,556                                                        | (197)                                        |
| National allotment.....   | 1,639,084                    | 12,293                                                             | 1,639,084                                   | 1,652,596                                                                                    | 1,639,084                                                     | 1,652,596                                    |

<sup>1</sup> Assuming the national acreage allotment to be the same as in effect for 1956 and the 1956 planted and diverted acreage of rice to be the same as determined for 1955.

<sup>2</sup> To be apportioned among the minor rice-producing States receiving inadequate State or county allotments such as Mississippi, Missouri, South Carolina, etc.



*Two-price plan*

Section 501 also provides for a 2-price plan for rice of the 1956 and 1957 crops. A primary market quota for rice is to be determined and proclaimed by the Secretary of Agriculture for each marketing year. This primary market quota is to be determined on the basis of the quantity of processed rice (expressed in terms of hundredweights of rough rice) which the Secretary determines will be consumed in the United States (including its Territories and possessions and the Commonwealth of Puerto Rico) or exported to Cuba during the marketing year, taking into consideration the historical consumption of United States rice in these markets and any expected increase in consumption. In determining the primary quota, rough rice used for feed or seed would be excluded, since it is not intended that the primary quota would include rice which is not milled. For 1956, the primary market quota is to be apportioned among the States on the basis of the 1955 production of rice in each State. For 1957, the primary market quota is to be apportioned among the States on the basis of the average yield per acre of rice in each State during 1955 and 1956, multiplied by the acreage allotment for the State. Each State quota is to be apportioned among farms in the State on the basis of the acreage allotment established for each farm, multiplied by the normal yield per acre for the farm. The estimated 1956 primary market quota and its apportionment among the States is shown in the following tables:

TABLE 11.—*United States milled rice consumed in primary markets (on rough-rice basis)*

[Thousand 100-pound bags]

| Marketing year             | Food   | Industry | Total consumed | Exports to Cuba | Total primary market |
|----------------------------|--------|----------|----------------|-----------------|----------------------|
| 1950-51.....               | 18,252 | 4,866    | 23,118         | 10,066          | 33,184               |
| 1951-52.....               | 16,756 | 4,750    | 21,506         | 7,131           | 28,637               |
| 1952-53.....               | 17,750 | 4,577    | 22,327         | 7,039           | 29,366               |
| 1953-54.....               | 17,950 | 4,560    | 22,510         | 6,850           | 29,360               |
| 1954-55.....               | 18,000 | 5,700    | 23,700         | 4,914           | 28,614               |
| 1955-56 <sup>1</sup> ..... | 18,500 | 5,500    | 24,000         | 4,748           | 28,748               |
| 1956-57 <sup>2</sup> ..... | 18,500 | 5,700    | 24,200         | 4,750           | 28,950               |

<sup>1</sup> Preliminary.

<sup>2</sup> Estimated.

TABLE 12.—*Rice: Apportionment of the estimated 1956 primary market quota among the several States*

[100-pound bags]

| State            | 1955 production <sup>1</sup> | 1956 State primary quota | State                    | 1955 production <sup>1</sup> | 1956 State primary quota |
|------------------|------------------------------|--------------------------|--------------------------|------------------------------|--------------------------|
| Arkansas.....    | 12,694,000                   | 6,854,007                | Missouri.....            | 120,350                      | 64,982                   |
| California.....  | 11,186,000                   | 6,039,777                | North Carolina.....      | 350                          | 189                      |
| Louisiana.....   | 13,150,000                   | 7,100,220                | Oklahoma.....            | 3,900                        | 2,106                    |
| Texas.....       | 14,880,000                   | 8,034,318                | South Carolina.....      | 43,400                       | 23,433                   |
| Mississippi..... | 1,510,000                    | 815,310                  | Tennessee.....           | 11,700                       | 6,317                    |
| Arizona.....     |                              |                          |                          |                              |                          |
| Florida.....     | 16,750                       | 9,044                    | United States total..... | 53,617,000                   | 28,950,000               |
| Illinois.....    | 550                          | 297                      |                          |                              |                          |

<sup>1</sup> Production for the 5 major rice-producing States are official estimates of the Department of Agriculture while production for the 7 minor States was determined by multiplying the 1955 measured acreage in each such State by the 1955 State average yield per acre as reported by the Southern Rice Millers Association.

Price support will be made available by Commodity Credit Corporation to cooperators through loans, purchases, or other operations on the 1956 crop of rice at 55 percent of the parity price of rice as of the beginning of the marketing year. On the 1957 crop, the level of support is to be at such level as the Secretary of Agriculture determines will not discourage or prevent exportation of rice produced in the United States, but such level is not to be less than 50 percent nor more than 90 percent of the parity price.

Certificates will be issued by the Secretary of Agriculture to cooperators each marketing year for farms having primary market quotas. Such certificates will be issued for a quantity of rice equal to the primary market quota for the farm but not more than the normal yield for the acreage planted to rice on the farm. The value of each certificate will be equal to the difference between 90 percent of the parity price of rice as of the beginning of the marketing year and the level of price support for rice for such marketing year (to be calculated to the nearest cent) multiplied by the quantity of rice for which the certificate is issued. The landlord and his tenants or sharecroppers will share in the certificates in the same proportion as they share in the rice produced on the farm or the proceeds therefrom. Commodity Credit Corporation will redeem at its value any certificate not used to cover the processing or importation of rice.

Assuming the parity price of rice on August 1, 1956 (the beginning of the 1956-57 marketing year), to be the same as the January 15, 1956, parity price of \$5.42 per hundredweight, the unit value of the certificate for 1956 crop rice would be computed as the difference between \$2.98 per hundredweight (55 percent of parity) and \$4.88 per hundredweight (90 percent of parity) or \$1.90 per hundredweight.

Beginning August 1, 1956, each person processing rough rice in the United States (excluding Puerto Rican or Hawaiian rice processed in Puerto Rico or Hawaii) will be required to acquire certificates in an amount sufficient to cover the quantity of rough rice processed. Each person importing processed rice into the United States on or after August 1, 1956, will also be required to acquire certificates covering the rough rice equivalent of such processed rice. Such certificates may be acquired from producers by the processor or importer, or he may purchase certificates from Commodity Credit Corporation. Upon the exportation to any country other than Cuba of processed rice with respect to which certificates were acquired, Commodity Credit Corporation will pay the exporter an amount equal to the value of the certificates for the rough rice equivalent of the processed rice.

The provisions of this section will not be applicable to nonirrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed 3 acres or to rice grown in Puerto Rico or Hawaii.

#### *Inventory adjustment payments*

In order to facilitate the transition to the two-price plan, inventory adjustment payments will be made to all persons owning rough rice located in the continental United States as of July 31, 1956, except that payments will not be made with respect to 1956-crop rice, imported rice, or rice acquired from Commodity Credit Corporation. Such payments will be in amounts equal to 35 percent (the difference between 90 percent and 55 percent) of the parity price of rice as of August 1, 1956, multiplied by the quantities of such rough rice. An



appropriation to reimburse Commodity Credit Corporation for such payments is authorized.

*Transfer of rice to the set-aside*

The Secretary is given discretionary authority to transfer to the commodity set-aside, established pursuant to section 101 of the Agricultural Act of 1954, all rough and processed rice in the inventories of Commodity Credit Corporation as of 60 days after the beginning of the 1956 marketing year for rice, not exceeding 20 million hundred-weight of rough rice or its equivalent in processed rice.

The proportion of United States rice used for domestic consumption and export is shown by the following table:

TABLE 13.—*Rice: Percentage, domestic consumption and exports (in rough rice equivalent) is of total production during the marketing years 1939-40 through 1955-56*

| Marketing year             | Production <sup>1</sup> | Domestic consumption |                       | Exports |                       |
|----------------------------|-------------------------|----------------------|-----------------------|---------|-----------------------|
|                            |                         | Total                | Percent of production | Total   | Percent of production |
| (1)                        | (2)                     | (3)                  | (4)                   | (5)     | (6)                   |
| 1939-40-----               | 24,328                  | 20,046               | 82.4                  | 4,484   | 18.4                  |
| 1940-41-----               | 24,495                  | 21,138               | 86.3                  | 5,651   | 23.1                  |
| 1941-42-----               | 23,095                  | 19,571               | 84.7                  | 6,552   | 28.4                  |
| 1942-43-----               | 29,082                  | 20,266               | 69.7                  | 6,961   | 23.9                  |
| 1943-44-----               | 29,264                  | 21,316               | 72.8                  | 7,069   | 24.2                  |
| 1944-45-----               | 30,974                  | 20,001               | 64.6                  | 10,201  | 32.9                  |
| 1945-46-----               | 30,668                  | 19,613               | 64.0                  | 11,469  | 37.4                  |
| 1946-47-----               | 32,497                  | 20,162               | 62.0                  | 12,291  | 37.8                  |
| 1947-48-----               | 35,217                  | 22,037               | 62.6                  | 13,055  | 37.1                  |
| 1948-49-----               | 38,275                  | 22,092               | 57.7                  | 14,378  | 37.6                  |
| 1949-50-----               | 40,784                  | 23,423               | 57.4                  | 16,224  | 39.8                  |
| 1950-51-----               | 38,757                  | 25,693               | 66.3                  | 13,167  | 34.0                  |
| 1951-52-----               | 45,853                  | 24,121               | 52.6                  | 24,058  | 52.5                  |
| 1952-53-----               | 48,260                  | 25,121               | 52.1                  | 25,122  | 52.1                  |
| 1953-54-----               | 52,761                  | 25,764               | 48.8                  | 22,708  | 43.0                  |
| 1954-55-----               | 64,514                  | 27,839               | 43.2                  | 14,385  | 22.3                  |
| 1955-56 <sup>2</sup> ----- | 53,617                  | 27,917               | 52.1                  | 23,000  | 42.9                  |

<sup>1</sup> Production for the marketing years 1949-50 through 1955-56 includes estimated production in the minor rice-producing States.

<sup>2</sup> Preliminary

TITLE VI—FORESTRY PROVISIONS

*Tree planting and reforestation*

Section 601 provides for assistance to States for tree planting and reforestation. The objective of this section is to step up nationwide the present rate of reforestation on all land in need of such planting irrespective of ownership. This would be accomplished through a cooperative plan of action between the individual States and the Secretary of Agriculture. The plan would originate in the States through the State foresters or equivalent State officials and after approval by the Secretary would be put into effect by a State agency. The major provisions of this section would:

(1) Establish a policy of Congress that the Secretary of Agriculture should assist the States in undertaking needed programs of tree planting.

(2) Permit a State to draw up a plan of reforestation that would further this purpose and submit such plan to the Secretary of Agriculture for his consideration and approval.

(3) When the Secretary has approved the plan, authorize and direct him to assist the State in carrying out the plan which assistance may

include furnishing advice, technical assistance and financial contributions up to an amount equal to the State expenditure for the same purpose during the same fiscal year.

(4) Require the Secretary to obtain cooperation and assistance of other Federal agencies and the appropriate State foresters in the approval and carrying out of the plan when it includes forest lands under such other Federal agencies' jurisdiction.

The committee believes that more money should be made available for tree planting and recommends that the Appropriations Committees consider providing \$50 million to carry out the provisions of this section.

### *Forest products*

Section 602 provides for price reporting and research with respect to forest products. This section would direct the Secretary to: (1) establish a price reporting service for basic forest products such as standing timber, sawlogs, and pulpwood; (2) conduct and stimulate research aimed at developing the efficiency of marketing forest products; and (3) study price trends and relationships for basic forest products and within 2 years report thereon to the Congress.

### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

### AGRICULTURAL ACT OF 1949

#### SEC. 101. \* \* \*

(d) Notwithstanding the foregoing provisions of this section—

(1) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

[(6) Except as provided in subsection (c) and section 402, the level of support to cooperators shall be not more than 90 per centum and not less than 82½ per centum of the parity price for the 1955 crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas; within such limits, the minimum level of support shall be fixed as provided in subsections (a) and (b) of this section.]

(6) *except as provided in section 402, the level of support to cooperators shall be 90 per centum of the parity price for the 1956 and 1957 crops of any basic agricultural commodity other than wheat if producers have not disapproved marketing quotas therefor;*

(7) Where a State is designated under section 335 (e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat



to cooperators in such State for such crop of wheat shall be 75 per centum of the level of price support to cooperators in the commercial wheat-producing area.

(8) if producers have not disapproved marketing quotas for the crop, (A) the support price to cooperators for milling quality wheat shall be established upon the basis of a support level for the crop of 90 per centum of the parity price for wheat, and (B) the support price to cooperators in any area for any other wheat shall be established, without regard to paragraph (7) of this subsection, at such level as the Secretary determines will preserve the competitive relationship between such wheat and corn on the basis of their respective feed values; but in no event shall the average support price to cooperators for all wheat (based upon anticipated production) be less than 75 per centum of its parity price. For the purposes of this paragraph milling quality wheat shall be wheat produced in any area from seed of a variety which in such area normally produces wheat of a quality desired for milling purposes. In determining milling quality wheat, the Secretary shall consult with a committee appointed by him and composed of three representatives from each of the principal wheat-producing areas. Of the three representatives from each area, one shall be a wheat farmer, one shall be a wheat miller, and one shall be a person experienced in research on wheat varieties. At least one of the millers on the committee shall have had experience in producing semolina flour. Wheat of the 1956 crop planted in any area shall be milling quality wheat for the purposes of this paragraph, unless such wheat is of a variety which was designated as undesirable in such area by the Department of Agriculture prior to the time such wheat was planted. This paragraph shall be applicable only to the 1956 and 1957 crops.

SEC. 201. \* \* \*

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at [such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply] not less than 80 per centum nor more than 90 per centum of the parity price therefor using a parity equivalent for manufacturing milk based on the thirty-month period July 1946 to December 1948, both inclusive. \* \* \*

\* \* \* \* \*

SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.

\* \* \* \* \*

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. [Middling seven-eighths-inch cotton shall be the standard grade for purposes of parity and price support.]

### SECTION 3 (a) OF THE ACT OF AUGUST 29, 1949 (P. L. 272, 81ST CONG.)

[(a) Notwithstanding any other provision of law, Middling seven-eighths-inch cotton shall be the standard grade for purposes of parity and price support.]

### THE AGRICULTURAL ADJUSTMENT ACT OF 1938

#### TITLE III—PARITY PAYMENTS, CONSUMER SAFEGUARDS, [AND] MARKETING QUOTAS, AND RICE CERTIFICATES

SEC. 301. (a) \* \* \*

(1) \* \* \*

(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity[, as of any date during the six-year period beginning January 1, 1950,] shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949.

\* \* \* \* \*

SEC. 334. \* \* \*

(f) Any part of any 1955, 1956, and 1957 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reappor-

tioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat tillable acres, crop rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (c) of this section. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the three-year base period: *Provided, That notwithstanding any other provisions of law, any part of any 1955, 1956, or 1957 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments.*

\* \* \*  
SEC. 335. \* \* \*

(e) **[If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year.]** *The Secretary shall designate any State as outside the commercial wheat-producing area for any marketing year if the acreage allotment of wheat for such State for the immediately preceding marketing year was two hundred and forty thousand acres or less. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register.*

\* \* \*  
SEC. 344. \* \* \*

(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period: *Provided, That there is hereby established a national acreage reserve consisting of an amount, which shall be deducted from the national acreage allotment, equal to 1 per centum of such national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves, and the additional acreage so apportioned to the State shall be apportioned to the counties on the same basis and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Needs for additional acreage under the foregoing proviso and under the last proviso in subsection (e) shall be determined as though allotments were first computed without regard to subsection (f) (1).*

(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardship: Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved by the State committee under this subsection shall be not less than the smaller of (1) the remaining*



acreage so determined to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which the State committee is required to reserve under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages).

(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph (3) of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

(1) **[There]** *Insofar as such acreage is available, there* shall be allotted the smaller of the following: (A) **[five]** four acres; or (B) the highest number of acres planted **[(or regarded as planted under Public Law 12, Seventy-ninth Congress)]** to cotton in any year of such three-year period.

(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and non-irrigated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

(3) The county committee may reserve not in excess of 15 per centum of the county allotment \* \* \* which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm acreage allotments to correct inequities and to prevent hardships: *Provided,* That not less than 20 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B) ), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

\* \* \* \* \*

(6) Notwithstanding the **[foregoing]** provisions of *paragraph (2) of this subsection [except paragraph (3)]*, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the *remainder of the county acreage allotment [less the acreage reserved under paragraph (3) of this subsection]* (after making allotments as provided in paragraph (1) of this subsection) shall be **[apportioned]** allotted to farms **[on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the acreage planted to cotton on the farm during such three-year period, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided,* That the county committee may in its discretion (A) apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this**

subsection and by allotting the remaining acreage to farms other than those receiving an allotment under paragraph (1) (B) in accordance with the foregoing provisions of this paragraph and (B) 1, other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein. If the county acreage allotment is apportioned among the farms of the county in accordance with the provisions of this paragraph, the acreage reserved under paragraph (3) of this subsection may be used to make adjustments so as to establish allotments which are fair and reasonable to farms receiving allotments under this paragraph in relation to the factors set forth in paragraph (3).

\* \* \* \* \*

SEC. 353. \* \* \*

(c) Notwithstanding any other provisions of this Act—

\* \* \* \* \*

(5) Each of the State acreage allotments for 1956 heretofore proclaimed by the Secretary, after adding thereto any acreage apportioned to farms in the State from the reserve acreage set aside pursuant to subsection (a) of this section, shall be increased by such amount as may be necessary to provide such State with an allotment of not less than 85 per centum of its final allotment established for 1955. Any additional acreage required to provide such minimum allotment shall be additional to the national acreage allotment. In any State having county acreage allotments for 1956, the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage.

\* \* \* \* \*

#### PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

SEC. 377. In any case in which, during any year after 1955 for which acreage allotments are in effect for any commodity under this Act, the acreage planted to such commodity on any farm is less than the acreage allotment for such farm, the entire acreage allotment for such farm shall be considered for purposes of future farm acreage allotments to have been planted to such commodity in such year, but only if the owner or operator of such farm notifies the county committee prior to the sixtieth day preceding the beginning of the marketing year for such commodity of his desire to preserve such allotment. This section shall not be applicable to any farm on which no acreage of the commodity was planted for four successive years or in any case in which the amount of the commodity required to be stored to postpone or avoid payment of penalty has been reduced because the allotment was not fully planted. Nothing herein shall be construed to permit the allotment to any other farm of the acreage with respect to which notice is given under this section.

\* \* \* \* \*

#### SUBTITLE D—RICE CERTIFICATES

##### LEGISLATIVE FINDINGS

SEC. 380a. The movement of rice from producer to consumer is preponderantly in interstate and foreign commerce, and the small quantity of rice which does not move in interstate or foreign commerce affects such commerce. In order to provide an adequate and balanced flow of rice in interstate and foreign commerce and to assure consumers an adequate and steady supply of rice at fair prices it is necessary to



regulate all commerce in rice in the manner provided in this subtitle. These findings are supplemental to and in addition to the findings contained in section 351 of this Act.

EFFECTIVE DATE AND TERMINATION

SEC. 380b. The provisions of this subtitle, unless extended by law, shall apply only to the crops of rice harvested in 1956 and 1957. Notwithstanding any other provision of law, the national acreage allotment of rice for 1957 shall be not less than the national acreage allotment for 1956, including any acreage allotted under section 353 (c) (5) of this Act, and such 1957 national allotment shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

RICE PRIMARY MARKET QUOTA

SEC. 380c. Not later than December 31 of each year, the Secretary shall determine and proclaim the primary market quota for rice for the marketing year beginning in the next calendar year, except that for the marketing year beginning in 1956 such determination and proclamation shall be made not later than thirty days after the enactment of the Agricultural Act of 1956. The primary market quota shall be the number of hundredweights of rice (on a rough rice basis) which the Secretary determines will be consumed in the United States (including its Territories and possessions and the commonwealth of Puerto Rico) or exported to Cuba, during such marketing year. In making this determination the Secretary shall consider the historical consumption in these markets of rice produced in the United States and any expected enlargement in such consumption predicated upon population trends, increased per capita consumption, and other relevant factors.

APPORTIONMENT OF PRIMARY MARKET QUOTA

SEC. 380d. (a) The primary market quota for rice shall be apportioned by the Secretary among the several States on the basis of the average yield per acre of rice in each State during the three years immediately preceding the year for which the quota is proclaimed (or in the case of the apportionment for 1957, during the two years preceding such year) multiplied by the acreage allotment of such State for such year. Notwithstanding the foregoing provisions of this subsection, the primary market quota for rice shall be apportioned by the Secretary among the several States for the marketing year beginning in 1956 on the basis of the 1955 production of rice in each State.

(b) The State primary market quota shall be apportioned by the Secretary among farms on the basis of the acreage allotment established for each farm multiplied by the normal yield per acre for the farm.

REVIEW OF PRIMARY MARKET QUOTA

SEC. 380e. Notice of the primary market quota shall be mailed to the operator of the farm to which such quota applies. The farm operator may have such quota reviewed in accordance with the provisions of sections 363 to 368, inclusive, of this Act.

PRICE SUPPORT

SEC. 380f. (a) Notwithstanding any other provision of law, the Commodity Credit Corporation shall make price support available to cooperators through loans, purchases, or other operations on the 1956 crop of rice at 55 per centum of the parity price of rice as of the beginning of the marketing year and on the 1957 and subsequent crops of rice at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not discourage or prevent the exportation of rice produced in the United States.

(b) Section 101 of the Agricultural Act of 1949, as amended, shall not apply to price support made available on rice of the 1956 and 1957 crops, but all the other provisions of such Act, to the extent not inconsistent with this subtitle, shall apply to price-support operations carried out under this section.

CERTIFICATES

SEC. 380g. (a) The Secretary of Agriculture shall for each marketing year issue certificates to cooperators for a quantity of rice equal to the primary marketing quota for the farm for such marketing year, but not exceeding the normal yield of the acreage planted to rice on the farm. The certificate shall have the value specified in subsection (e) of this section.

(b) The landlord, tenants, and sharecroppers on the farm shall share in the certificates issued with respect to the farm in the same proportion as they share in the rice produced on the farm or the proceeds therefrom.

(c) The provisions of section 385 of this Act shall be applicable to certificates issued to producers under this section.

(d) The Commodity Credit Corporation shall issue and sell certificates to persons engaged in the processing of rough rice or the importing of processed rice. Each such certificate shall be sold for an amount equal to the value thereof, as specified in subsection (e) of this section.

(e) The value of each certificate issued under this section shall be equal to the difference between 90 per centum of the parity price of rice as of the beginning of the marketing year for which the certificate is issued and the level of price support for rice which is in effect during such marketing year, calculated to the nearest cent, multiplied by the quantity of rice for which the certificate is issued. Any certificates not used to cover the processing of rice or the importation of processed rice pursuant to sections 380k and 380l of this Act shall be redeemed by the Commodity Credit Corporation at the value thereof.

#### INVENTORY ADJUSTMENT PAYMENTS

SEC. 380h. To facilitate the transition from the price support program currently in effect to the program provided for in this subtitle, the Commodity Credit Corporation shall make inventory adjustment payments to all persons owning rough rice located in the continental United States as of July 31, 1956, in amounts equal to 35 per centum of the parity price of rice as of August 1, 1956, multiplied by the quantities of such rough rice: Provided, however, That such payments shall not be made with respect to rice of the 1956 crop, imported rice, or rice acquired from Commodity Credit Corporation. There are hereby authorized to be appropriated such sums as may be necessary to make payment to Commodity Credit Corporation for expenditures pursuant to this section.

#### RICE SET-ASIDE

SEC. 380i. All rough and processed rice in the inventories of Commodity Credit Corporation as of sixty days after the beginning of the 1956 marketing year, not exceeding twenty million hundredweight of rough rice or its equivalent in processed rice may be transferred to and be made a part of the commodity set-aside of rice established pursuant to section 101 of the Agricultural Act of 1954.

#### EXEMPTIONS

SEC. 380j. The provisions of this subtitle shall not apply to nonirrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed three acres or to rice produced in Puerto Rico, or Hawaii.

#### PROCESSING RESTRICTIONS

SEC. 380k. (a) Each person who on or after August 1, 1956, engages in the processing of rough rice in the United States shall, upon processing any quantity of rough rice, acquire certificates issued under section 380g of this Act in an amount sufficient to cover such quantity of rough rice.

(b) The requirements of subsection (a) of this section shall not be applicable to the processing in Puerto Rico or Hawaii of rough rice grown in Puerto Rico or Hawaii, respectively.

(c) Upon the exportation from the United States to any country other than Cuba of any processed rice with respect to which certificates were acquired in accordance with the requirements of subsection (a) of this section or section 380l, the Commodity Credit Corporation shall pay to the exporter an amount equal to the value of the certificates for the rough rice equivalent of such processed rice.

#### IMPORT RESTRICTIONS

SEC. 380l. Each person who, on or after August 1, 1956, imports processed rice into the United States shall acquire certificates issued under section 380g of this Act covering the rough rice equivalent of such processed rice.

#### REGULATIONS

SEC. 380m. The Secretary shall prescribe regulations governing the issuance, redemption, acquisition, use, transfer, and disposition of certificates hereunder.



CIVIL PENALTIES

SEC. 380n. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of sections 380k or 380l of this Act, or regulations prescribed by the Secretary for the enforcement of such provisions, shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

REPORTS AND RECORDS

SEC. 380o. (a) The provisions of section 373 of this Act shall apply to all persons except rice producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

(b) The provisions of section 373 (b) of the Act shall apply to all rice farmers how are subject to the provisions of this subtitle.

DEFINITIONS

SEC. 380p. For the purposes of this subtitle—

(a) "cooperator" shall have the same meaning as under the Agricultural Act of 1949, as amended.

(b) "processing of rough rice" means subjecting rough rice for the first time to any process which removes the husk or hull from the rice and results in the production of processed rice.

(c) "processed rice" means any rice from which the husk or hull has been removed and includes, but is not limited to—

- (1) whole grain rice,
- (2) second head milled rice,
- (3) screenings milled rice,
- (4) brewers milled rice,
- (5) undermilled rice or unpolished rice,
- (6) brown rice,
- (7) converted rice, malekized rice or parboiled rice, and
- (8) vitaminized rice or enriched rice.

(d) "United States" means the several States, the Territories of Hawaii and Alaska, the District of Columbia, and the Commonwealth of Puerto Rico.

(e) "exporter" means the consignor named in the bill of lading under which the processed rice is exported; Provided, however, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives his claim in favor of such other person.

(f) "rough rice equivalent" means the quantity of rough rice normally used (as determined by the Secretary of Agriculture) in the production of a particular quantity of processed rice, but shall not be more than one hundred pounds of rough rice for each sixty-eight pounds of processed rice.

(g) "import" means to enter, or withdraw from warehouse, for consumption.

SUBTITLE [D] E—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

The following acts would be made inapplicable to transactions under title I of Public Law 480, 83d Congress:

ACT OF MARCH 26, 1934, AS AMENDED

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of Congress that in any loans made by the Reconstruction Finance Corporation or any other instrumentality of the Government to foster the exporting of agricultural or other products, provision shall be made that such products shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the United States Maritime Commission, after investigation, shall certify to the Reconstruction Finance Corporation or any other instrumentality of the Government that vessels of the

United States are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

**SECTION 901 (b) OF THE MERCHANT MARINE ACT OF 1936, AS AMENDED (ADDED BY THE ACT OF AUGUST 26, 1954)**

(b) Whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provision for reimbursement, any equipment, materials, or commodities, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such equipment, materials, or commodities, the appropriate agency or agencies shall take such steps as may be necessary and practicable to assure that at least 50 per centum of the gross tonnage of such equipment, materials, or commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers), which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographic areas: *Provided*, That the provisions of this subsection may be waived whenever the Congress by concurrent resolution or otherwise, or the President of the United States or the Secretary of Defense declares that an emergency exists justifying a temporary waiver of the provisions of section 901 (b) and so notifies the appropriate agency or agencies: *And provided further*, That the provisions of this subsection shall not apply to cargoes carried in the vessels of the Panama Canal Company. Nothing herein shall repeal or otherwise modify the provisions of Public Resolution Numbered 17, Seventy-third Congress (48 Stat. 500), as amended.



## MINORITY VIEWS

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The Senate Agriculture and Forestry Committee (1) by the narrow margin of 8-7 voted for returning to rigid 90 percent mandatory price support without regard to the size of surpluses for cotton, corn, and peanuts for 1956 and 1957. (Also the committee voted for rigid 90 percent mandatory price support on milling-quality wheat which as now defined will qualify nearly all wheat seeded) and (2) voted for continuing "old" parity for any so-called "basic" commodity if it is higher than "modernized" parity. In 1954 90 percent mandatory rigid price supports, without regard to the size of surpluses, were defeated in the Senate by a vote of 49-44.

Thus through S. 3183 the majority of the committee is again asking the Senate to approve farm legislation which the Senate has considered previously and which it has determined is against the interests of farmers and ranchers in particular and the public in general.

Title I of the bill directs that the commodities wheat, cotton, and corn, which are in a serious oversupply situation, be supported at levels which will continue to stimulate wasteful overproduction. Likewise, it directs the support of peanuts at a level which will encourage overproduction.

Title II (the soil-bank provision) contradicts title I and directs that farmers go in the opposite direction by lowering production to help bring supplies into balance with demand. Thus the bill, on the one hand, proposes to raise the level of price support and thereby stimulate production and, on the other hand, it proposes a soil bank which is intended to reduce production and dispose of surpluses. How production can be stimulated and reduced at the same time, we don't know. Even Joshua only commanded the sun to stand still. As bold as Joshua was, he wasn't so foolish as to command that the sun stand still and simultaneously both rise and set. The continuation of wartime incentive levels of price support nullifies the good points of the proposed legislation aimed at bringing supply and demand into a healthy balance.

Going back to 90 percent rigid price supports, regardless of how high surpluses pile up, is like eating more green apples to cure a stomach ache caused by eating green apples.

The evidence is overwhelming: At the outset of World War II, Congress raised price supports from a range of 52 to 75 percent of parity to 90 percent of parity in order to encourage allout production for insatiable war demand—production shot up.

Continuation of those wartime incentive levels for more than 10 years after the war has smothered farmers in an avalanche of surpluses. No wonder prices have sagged. No wonder the net income of farmers has gone down. There isn't any business that can be operated successfully on the basis of pouring more and more resources into production at a time when markets are contracting due to an

adjustment from wartime to peacetime levels. Increased production in agriculture has been encouraged by Government intervention at a time when incentives to produce should have been gradually lowered to encourage adjustment to peacetime demands. Farmers and ranchers see clearly that rigid 90 percent supports on the basic commodities in the face of mounting surpluses are doing them more harm than good. We have gotten into trouble by extending 90 percent supports year after year. Flexible supports haven't been given a chance to help guide production and consumption. Farmers and ranchers are being hurt by the Government continuing to provide an incentive to increase production of unneeded commodities, by curtailing the movement of production into domestic and foreign markets, and by piling up income-depressing surpluses in Government hands.

Net farm income has continued to decline despite 90 percent rigid price supports. Flexible supports are only being put into effect on some commodities for the first time in 1956. The law didn't allow flexible supports to be put into effect until the harvesting of the 1955 crops last fall and only then on a very limited basis. The following table shows the levels of price supports on basic commodities that were in effect in 1954 and 1955.

*Level of price support*

| Commodity            | Unit            | Beginning of marketing season | 1954                  |                                  | 1955                  |                                  |
|----------------------|-----------------|-------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
|                      |                 |                               | Average support price | Support level, percent of parity | Average support price | Support level, percent of parity |
| Wheat.....           | Bushel....      | July.....                     | \$2.24                | 90                               | \$2.08                | 82½                              |
| Corn.....            | do.....         | October....                   | 1.62                  | 90                               | 1.58                  | 87                               |
| Cotton (upland)..... | Pound....       | August.....                   | .3158                 | 90                               | .3170                 | 90                               |
| Peanuts.....         | do.....         | do.....                       | .122                  | 90                               | .122                  | 90                               |
| Rice.....            | Hundred-weight. | do.....                       | 4.92                  | 91                               | 4.66                  | 86                               |
| Tobacco:             |                 |                               |                       |                                  |                       |                                  |
| Flue-cured.....      | Pound....       | July.....                     | .479                  | 90                               | .483                  | 91                               |
| Burley.....          | do.....         | October....                   | .464                  | 91                               | .462                  | 91                               |
| Other.....           |                 |                               |                       | 1 90                             |                       | 1 90                             |

<sup>1</sup> Generally 90 percent.

Source: U. S. Department of Agriculture release, October 1955.



The foregoing table clearly shows that for practical purposes rigid high price supports have been in effect up to the present time.

The following table shows what has happened to net farm income for the past 15 years:

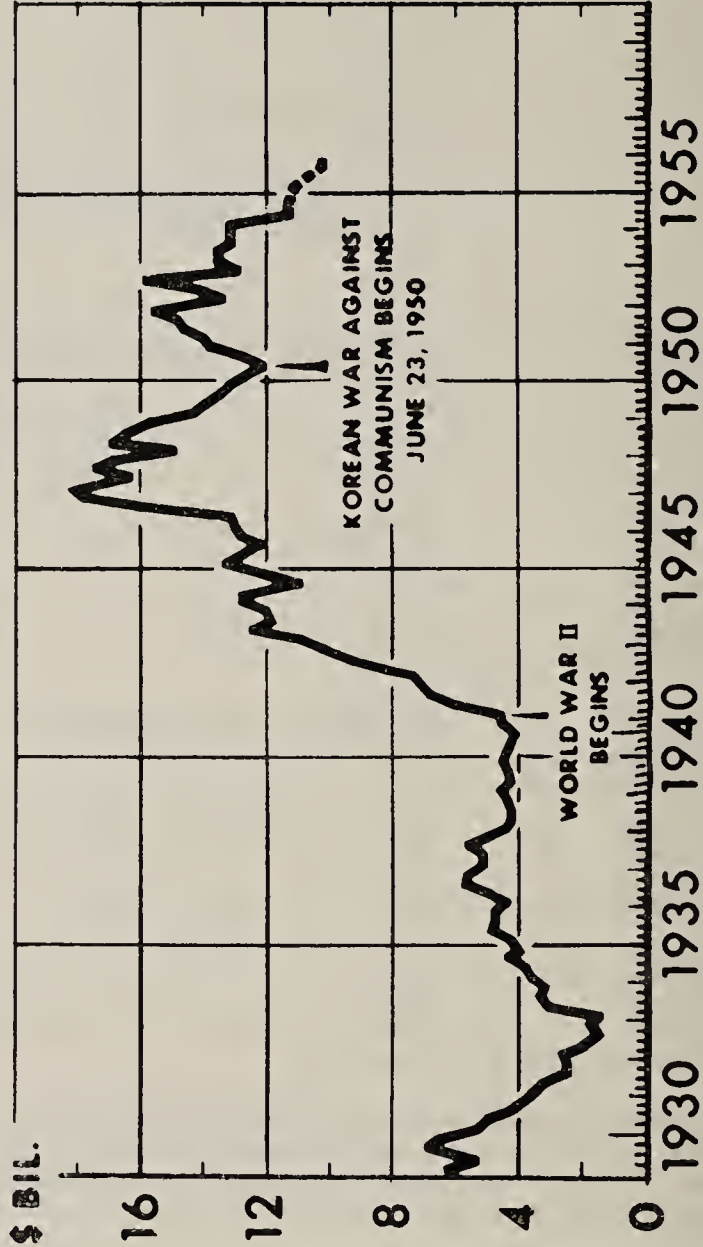
| <i>Realized net farm income from farming</i> |      |
|----------------------------------------------|------|
| <i>Billions of dollars</i>                   |      |
| 1940-----                                    | 4.3  |
| 1941-----                                    | 6.2  |
| 1942-----                                    | 8.8  |
| 1943-----                                    | 11.9 |
| 1944-----                                    | 12.2 |
| 1945-----                                    | 12.9 |
| 1946-----                                    | 15.0 |
| 1947-----                                    | 17.2 |
| 1948-----                                    | 15.9 |
| 1949-----                                    | 13.7 |
| 1950:                                        |      |
| 1st quarter-----                             | 12.8 |
| 2d quarter-----                              | 12.1 |
| 3d quarter-----                              | 12.7 |
| 4th quarter-----                             | 13.8 |
| 1951:                                        |      |
| 1st quarter-----                             | 14.0 |
| 2d quarter-----                              | 14.7 |
| 3d quarter-----                              | 14.9 |
| 4th quarter-----                             | 15.6 |
| 1952:                                        |      |
| 1st quarter-----                             | 13.4 |
| 2d quarter-----                              | 14.1 |
| 3d quarter-----                              | 15.9 |
| 4th quarter-----                             | 12.8 |
| 1953:                                        |      |
| 1st quarter-----                             | 13.6 |
| 2d quarter-----                              | 13.6 |
| 3d quarter-----                              | 13.2 |
| 4th quarter-----                             | 13.2 |
| 1954:                                        |      |
| 1st quarter-----                             | 13.2 |
| 2d quarter-----                              | 11.3 |
| 3d quarter-----                              | 11.4 |
| 4th quarter-----                             | 11.3 |
| 1955:                                        |      |
| 1st quarter-----                             | 11.2 |
| 2d quarter-----                              | 10.7 |
| 3d quarter-----                              | 10.2 |
| 4th quarter-----                             | 10.2 |

Source: USDA Farm Income Situation, Dec. 16, 1955.

High rigid supports have been in effect practically all of this time. Farmers know that war demand caused prices and net farm income to shoot up. They do not want to resume the sacrifices of war. The following chart gives a clear picture of how war has affected net farm income.

# FARM OPERATORS' REALIZED NET INCOME

Annual Rate, by Quarters \*



\* SEASONALLY ADJUSTED 1955 DATA ARE PRELIMINARY



## SURPLUSES PILE UP

Surpluses were beginning to get out of hand just before Korea. Even while the war against the Communists was going on in Korea, the stimulus to overproduction was causing surpluses to mount higher and higher. Also, the incentive to produce has been so great that production has increased while large parts of the country suffered from drought. A combination of drought, production controls, and Government-induced surpluses has brought real hardship to farmers in many areas.

*Carryover of selected basic commodities*

|           | Wheat                      | Cotton                   | Corn                       |           | Wheat                      | Cotton                   | Corn                       |
|-----------|----------------------------|--------------------------|----------------------------|-----------|----------------------------|--------------------------|----------------------------|
|           | <i>Millions of bushels</i> | <i>Millions of bales</i> | <i>Millions of bushels</i> |           | <i>Millions of bushels</i> | <i>Millions of bales</i> | <i>Millions of bushels</i> |
| 1948----- | 196                        | 2.991                    | 124                        | 1953----- | 562                        | 5.512                    | 769                        |
| 1949----- | 307                        | 5.218                    | 813                        | 1954----- | 902                        | 9.653                    | 920                        |
| 1950----- | 425                        | 6.749                    | 845                        | 1955----- | 1,020                      | 11.140                   | 1,024                      |
| 1951----- | 396                        | 2.166                    | 739                        | 1956----- | 1,050                      | 14.000                   | 1,200                      |
| 1952----- | 256                        | 2.720                    | 487                        |           |                            |                          |                            |

Source: U. S. Department of Agriculture.

As surpluses grow higher and expenditures mount, the borrowing authority of CCC is being sharply increased.

*CCC borrowing authority increases*

|                    | <i>Billions</i> |                    | <i>Billions</i> |
|--------------------|-----------------|--------------------|-----------------|
| Aug. 12, 1945----- | \$4. 750        | Aug. 31, 1954----- | \$10. 000       |
| June 28, 1950----- | 6. 750          | Aug. 11, 1955----- | 12. 000         |
| Mar. 20, 1954----- | 8. 500          |                    |                 |

Source: Commodity Credit Corporation.

As of December 1955, \$10.992 million of these funds was in use.

By disposing of surpluses through (1) the International Wheat Agreement, (2) the use of a part of duties on imports, (3) the International Cooperation Administration and predecessor agencies, and (4) similar devices, the Commodity Credit Corporation does not reflect on its books much of the loss which finally shows up in taxes and the public debt.

Costs of storage alone are now more than \$1 million per day.

NOTE.—For further facts in regard to agricultural development see Appendix A.

## RESPONSIBLE OPINION FAVORS FLEXIBLE SUPPORTS

The great majority of informed opinion favors flexible price supports. Every Secretary of Agriculture for the past 25 years has recommended flexible supports. The major general farm organizations, representing most of the farmers, have rejected rigid supports as unsound.

The only general farm organization in the United States which has a member-State organization in each one of the 48 States, overwhelmingly favors flexible price supports. In its convention last December, only 39 voting delegates out of 163 favored rigid supports. This organization, representing over 1,600,000 farm families and a steadily increasing membership, favors price supports as a method of avoiding the dumping of a full year's harvest on the market at one

time. It looks upon price supports as a method of helping farmers to market their commodities in an orderly manner over a 12-month period. However, it does not consider it the responsibility of the Government to guarantee profitable prices to any group. These farmers recognize that real farm income cannot be protected by policies which draw excessive resources into agriculture, create unmanageable surpluses, or cause artificial prices to be capitalized into land values. Farmers themselves insist that it should be recognized that (a) a Government storehouse is not a market and (b) that farmers cannot get fair prices for farm products in the market place as long as we are faced with surpluses of such products.

Farmers want national policies affecting farm production and marketing to promote a realistic balance between markets and productive capacity. They recognize we have a greatly expanded productive plant and reduced foreign markets. Any program which has the result of expanding agricultural output in the absence of a comparable increase in effective market demand is contrary to the interests of farmers. Likewise, programs which induce producers to continue inefficient production render a disservice to agriculture by contributing to the accumulation of surpluses, raising the average cost of production and limiting production per man—all of which tend to limit the opportunity of farm people to earn a good income.

Livestock producers, through their associations, have consistently rejected not only rigid price supports but price supports of any kind. Poultrymen, vegetable growers, fruit growers, and many others, speaking through their associations, likewise oppose rigid high price supports.

Economists are practically unanimous that the long-run interests of farmers are harmed by rigid supports. The thorough studies by Department of Agriculture experts in 1946, 1947, 1948, and again in 1953, 1954, and 1955 came to the firm conclusion that rigid wartime supports designed to stimulate production for war needs, were incompatible with a peacetime economy.

#### FARMERS GAIN INCOME WITH LOWER SUPPORTS

##### *Corn*

Some people insist that lower supports will lower farmers' net income. Henry Wallace, former Secretary of Agriculture (1933-40), in November 1955, had this to say:

Eighteen months or so ago when hogs were around \$26 a hundred I said the Corn Belt farmer ought to be happy with \$16 hogs and \$1.20 corn as a 10-year average provided other things did not go up in price. This is not 90 percent of parity. It is not even 80 percent of parity.

The truth of the matter is, and every well-informed person in the Middle West and Northwest knows it, we now have far too many acres of land in grain of all kinds and especially so in wheat. Radical steps will have to be taken soon if the ever normal granary and commodity-loan system is not to be destroyed.

I believe the Corn Belt farmer stands to gain in income if the loan is usually made at somewhat less than 90 percent of parity. The reason why I believe in a loan for corn which is usually less than 90 percent of parity is twofold—first corn is being produced with less cost per bushel as a result of new techniques. Second, the consumption of livestock and livestock products can be greatly increased if the price is not too high.



## AGRICULTURAL ACTS OF 1948 AND 1949

Widespread misunderstanding exists with regard to the economic and political facts surrounding the passage of the Agricultural Acts of 1948 and 1949 which were designed to carry out in the postwar period the idea of assisting farmers to market their commodities in an orderly manner throughout the marketing year.

The Agricultural Acts of 1948 and 1949, which constitute the basic price support and adjustment program authority, were designed to provide farmers governmental assistance in adjusting production to effective demand.

It should be borne in mind that this legislation was evolved during a period after World War II that resembled in many ways the current period. Then, as now, we had moved out of a shooting-war situation into a postwar type of economic setting. Then, as now, we had our agricultural plant overexpanded and were confronted with reduced foreign demand. The year 1947 was one of extensive farm program studies just as 1955 was.

On April 21, 1947, Clinton P. Anderson, Secretary of Agriculture, said:

We need to develop a long-range system of commodity price floors to protect producers against excessive or abnormal declines during the market season and to generally cushion declines in farm prices and incomes in the event of business recessions. We should make sure, however, that we do not establish a rigid system of price relationships \* \* \*. Prices are and should be an effective means of encouraging changes in production as the conditions of production and demand change.

In 1947, in response to questioning by members of the Senate Committee of Agriculture and Forestry, Carl C. Farrington, speaking as chairman of the Department's Committee on Price Policy and Production Adjustment, said:

We have given much thought to the percentage of modernized parity which might be used as a minimum price floor. Our studies indicate that 50 percent of parity, for example might not be high enough to act as an effective stop-loss mechanism, and 90 percent might force us into a completely managed agricultural economy.

President Truman sent a message to the Congress on May 14, 1948. In it he asked for flexible price supports in these words:

Many shifts in production will have to be made and flexible price supports will help us make them in an orderly manner. This will require authority to make prompt adjustments in support levels in line with current and prospective supply-and-demand conditions. It will also require flexibility in the choice of methods or programs that are designed to be most effective for individual commodities, that avoid waste, and that help bring about needed adjustments in production, distribution, and consumption.

Both the Republican and Democratic Party platforms in 1948 were straightforward in their endorsement of the basic principles of the Agricultural Act of 1948, including flexible price supports.

Both candidates for President campaigned in support of flexible price supports. In a speech which President Truman delivered at Springfield, Ill., on October 12, just prior to the November 2, 1948, election, he said:

Here are the main outlines of the agricultural program we must have:

1. We must have on a permanent basis a system of flexible price supports for agricultural commodities. Price supports and related measures help us keep our farm production adjusted to shifting market requirements \* \* \*.

The President's Council of Economic Advisers on January 7, 1949, submitted an economic review under the heading, "Farm Price Supports," in which they used these words:

Intercommodity price relationships must be kept consistent with basic trends in demand and supply conditions. To the maximum extent possible, parity-price relationships and support-price programs should encourage shifts to those commodities that are most wanted. Rigid systems of support, in violation of this principle, can only lead to rigid systems for restricting output that violate our tenets of economic freedom, that work against our objectives of maximum production, and that in the end take away from farmers' incomes through decreased volume as much as, or more than, they add through increased prices.

The Agricultural Act of 1948 represents an important step forward in recognizing the difficulties associated with overrigid supports.

In his budget message to the 81st Congress in January 1949 President Truman restated the fundamental principles upon which the Agricultural Act of 1948 was based.

As I said a year ago, price supports should be regarded "chiefly as devices to safeguard farmers against forced selling under unfavorable conditions and economic depression." Their purpose is to bring an element of stability into agriculture. At the same time they should not place excessive burdens on the Treasury and taxpayers or inhibit shifts in production needed to meet peacetime demands and to promote adequate conservation of our soil resources.

The majority report of the Joint Committee on the Economic Report, headed by Senator O'Mahoney (Democrat, Wyoming) and Congressman Hart (Democrat, New Jersey) had this to say on May 1, 1949:

In order to fit a prosperous and equitably treated agriculture consistently into an economy seeking to operate continuously at maximum levels, agricultural price supports must be kept as floor prices; not as a means of price fixing, nor to guarantee a profit, but to provide a barrier against the sort of devastating price declines which in the past have made agricultural depression the forerunner of business and industrial depression \* \* \*.

The need to put into operation a flexible, well-integrated and varied farm program is urgent. In addition to flexible price supports intelligently adapted to postwar conditions, consideration should be given as parts of a coordinated program to such measures as the provision of adequate storage facilities, more adequate credit accommodations, crop insurance, and so forth.

The minority report contained the following pertinent paragraph:

We still consider that a support-price program for farm prices is highly desirable to prevent the development of a depression through a complete collapse in agricultural products. We do not feel that it is our function at this time to discuss the various plans for such price support, but we recommend that a full trial be given to the Aiken-Hope Act and its plan of sliding-scale support recommended by the leading agricultural associations. The administration of this plan should be directed not as if it were a relief measure or a guaranteed equality of income for individuals, but as a major weapon against distortion between urban and rural incomes which could bring collapse to the entire Nation.

#### RIGID SUPPORTS ARE GENERALLY HARMFUL

Rigid mandatory supports at 90 percent of parity without regard to supply seriously injure (1) the vast majority of farmers and (2) consumers.

#### RIGID SUPPORTS INJURE FARMERS

Rigid supports injure farmers by increasing their costs, decreasing their markets, obstructing needed adjustments, assisting their competitors, lowering their net income, discrediting sound farm programs and decreasing their freedom of choice.



### 1. Increase costs

(a) *Unit costs*.—As acreage controls are applied, farmers are being forced to cut down on the number of acres devoted to the production of a particular commodity, and in many instances this raises the unit cost of production. Farmers thereby make less net income.

(b) *Diverted acres*.—One of the fundamental premises of the price-support program is that price support will encourage production. Since the time of the Federal Farm Board, advocates of price support have insisted that production control is a necessary part of the price-support program. This first price-pegging operation failed because there was not any authority for keeping supplies in line with demand, and it has not yet been demonstrated that any governmental authority will keep supplies in line with demand when producers have prices supported at incentive levels.

The Farm Board asked farmers to cut down on production voluntarily, but there was not any mechanism whereby if one farmer cut back he could be sure his neighbor would do likewise. As a consequence, the price supports were an incentive to produce more than the market would take at such artificial prices. Alexander Legge, Chairman of the old Federal Farm Board, in his final report, had this to say about the failure to keep supplies in line with demand:

No cooperative system can successfully accomplish its purpose unless production is coordinated with marketing \* \* \*. Attempts to effect production through general advice \* \* \* but without definite organization for the purpose had little effect \* \* \*. Experience with stabilization thus demonstrated that no measure for improving the price of farm products other than increasing the demand of consumers can be effective over a period of years unless it provides a more definite control of production than has been achieved so far.

In other words, the program was unsound and as a result it failed.

The second effort to support prices of agricultural commodities was in the form of the Agricultural Adjustment Act of 1933, the old triple A. One of the basic requirements of that act was that in return for price supports farmers had to earn them by adjusting total production to market demand at such increased prices. It was clearly recognized in the law that prices could not be supported above a free market demand price without controlling production because the cost to the United States Treasury would be so great that the public would not stand for its continuation.

Later, as a result of failure to control production incentive price supports on potatoes, it cost the Federal Government in excess of \$500 million on a total of only 2 million acres of potatoes in the entire United States. The unsoundness of this program caused the public to revolt with the ultimate effect being the repudiation of price support on potatoes by the Congress. The story of eggs is quite similar. There was no means of controlling production and as a result the program broke down. The continuation of rigid 90-percent price supports violates the fundamental principle of keeping supplies in line with demand.

Millions of acres have been shifted out of wheat and cotton into the production of barley, grain sorghum, soybeans, and other crops. Thus supply problems, instead of being solved, are being shifted from one group of crops to another, which is grossly unfair. Oftentimes producers of a basic crop maintain that they are willing to restrict production in order to obtain price support at 90 percent of parity. What they mean, in most cases, is that they are willing to divert acres out

of the basic crop and into other uses in order to obtain price support on the basic crop. This does not face up to the problem.

With an acreage-control program, there probably is no way fully to control the shifting of supply problems from one crop to another. That being the case, price support should be kept at moderate levels so as to minimize the problem.

It is no accident that we have the largest amount of feed grain in the history of the country. Such plentiful supplies are bound to increase the production of livestock products and weaken the market for beef, hogs, and dairy products. Accordingly, it is quite unfair to permit the producers of basic commodities to be eligible for price supports and at the same time shift the acreage out of price-supported crops into other crops.

## *2. Decrease markets*

Rigid support decreases farmers' markets by lowering consumption. This is just exactly the opposite of what farmers need at this time. The most satisfactory solution to the current farm problem is to expand domestic and foreign markets until they balance agricultural production. It is sometimes argued that price has little to do with the consumption of agricultural products. Though we might decrease the price of wheat or cotton, it is said, no more bread or shirts would be purchased than before. There is enough truth to this statement to make it convincing, and enough untruth to make it dangerous. In the case of many agricultural products, such as livestock and dairy products, fruits, and vegetables—by far the most important source of farm income—the statement that price has little to do with guiding production and consumption is completely untrue. It is true, however, that a lower price for wheat would not increase the domestic consumption of bread. But it would permit us to meet export competition and to move more wheat in the form of livestock feed. A lower price for cotton would permit us better to meet the competition of synthetic fibers. It would permit us to regain a part of the world cotton trade which has been lost to foreign countries with respect to whom we have held a price umbrella. The housewife chooses food on the basis of price. The foreign buyer of American export products is price-conscious. The textile trade selects its fibers partly on the basis of price. No more effective weapon can be used to drive customers away from our products than to price these products at levels which are out of line with other products or alternative sources of supply.

The price-support programs of this country have had the effect of making America a residual supplier of most price-supported commodities. Under these conditions subsidies are needed to bridge the price gap between the domestic and export market. To maintain any semblance of the export market for wheat we have had to pay export subsidies as high as 80 cents a bushel. As a matter of fact the average subsidy under the International Wheat Agreement for 1955 was 75 cents a bushel. During the 6 fiscal years from 1950 to 1955, inclusive, subsidies under the International Wheat Agreement and similar subsidies outside the International Wheat Agreement have amounted to over \$800 million.

Pricing domestic products at 90 percent of parity draws imports to our shores as a magnet draws metal. These products are attracted



out of their normal trade patterns, away from the legitimate recipients and to our already overburdened markets.

In order to keep costs down, embargoes, quotas, and import fees are needed. These unavoidable obstructions offend those nations whom we urgently need as friends.

If 90 percent of parity price support is voted, the Congress by that act establishes a restrictive foreign-trade policy for agricultural products. The producers of export crops as well as other farmers will inevitably pay for this error.

### *3. Retards needed adjustments*

It is sometimes argued that since the legislation recommended by the President would permit price supports at 90 percent of parity for basic commodities, the supports might as well be fixed at 90 percent by law.

There is, however, a great difference.

The flexible program serves to keep in the foreground the fact that supplies must be held in line with demand in order for price supports to be at or near 90 percent of parity.

There are numerous unforeseen events which might occur.

The minimum acreage provisions for certain crops might be raised by law.

Acreage allotments and marketing quotas might not be invoked.

Yields might be extremely high.

Export markets might suddenly be diminished.

Domestic outlets might be curtailed.

If supplies pile up as a consequence of such circumstances, it is important that there be an opportunity for lowering the support price to encourage consumption, to reduce the incentive for high production, and to encourage desired shifts in the pattern of production.

Mandatory price support at 90 percent of parity does not permit these needed adjustments.

### *4. Assists competitors*

The efficient wheat-producing farmers that were in business in 1940 have watched with growing concern the shifting of the right to produce wheat from themselves to other farmers ~~there~~ in the United States as well as in foreign countries. The western Kansas wheat farmer along with the wheat farmers in Texas, Oklahoma, Nebraska, South Dakota, North Dakota, and the other great wheat-growing States have seen thousands of acres of additional land in the old Dust Bowl area of southwest Kansas, northwest Texas, northwest Oklahoma, and southeast Colorado returned to wheat in violation of the principles of effective soil conservation. They have also seen the less efficient wheat-farming areas of the country that are better adapted to other types of farming, shift to the production of wheat. For example, they have seen Michigan expand wheat and go out of the production of dry edible beans because the production of wheat for the Government was a more profitable venture. Now that we have such a tremendous surplus supply of wheat, which is destroying market prices and threatening to overwhelm the farm program in a manner similar to the way it destroyed the old Federal Farm Board, serious cuts in production are being called for. The new areas are claiming their right to produce wheat and the efficient producers in the old areas are being cut drastically. For the most part, the efficient

wheat-producing areas can produce wheat better than anything else, yet the support program has built up such surpluses that they are being deprived of their right to produce while other areas which could more efficiently produce alternative crops are staying in the production of wheat due to the high Government incentive prices. The efficient western Kansas wheat farmer along with the efficient wheat-producing farmers in other States also see that the price-support program has encouraged the Canadian, Argentinian, Australian, Turkish, and other wheat farmers of the world to plunge into the production of wheat in competition with him, knowing that the wheat of the United States farmers will be the last to find its way into the world markets. The cotton producer who is looking at the facts is also aware of both domestic and foreign competition which is being aided by the rigid 90-percent price supports. Since 1930 synthetic consumption in the world has increased from the equivalent of 1 million bales of cotton to 13 million bales. Before 1933 America produced more cotton than all the rest of the world. This situation is no longer true today.

In fact, while we have reduced acreage through Government control programs from around 26 million acres to around 17 million acres, the rest of the world has increased the planting of cotton by more than 22 million acres.

Blind adherence to rigid price supports, without regard to the effect upon markets has destroyed the major portion of America's foreign market for cotton.

This market can now only be laboriously recovered by realistically adjusting price supports in order to meet competition in price, quality, and promotion.

#### *5. Lowers net income*

With price supports at 90 percent of parity and controls strictly applied, the volume of agricultural production must be sharply curtailed. Net income, not price alone, is the concern of agriculture. Net income is affected by volume and by costs as well as price. Restricting output often raises the cost per unit of production, and of course reduces the number of units sold. Thus, while price may be enhanced by the strict controls necessary to obtain 90 percent of parity, it does not necessarily follow that net farm income increases. As a matter of fact the evidence is quite clear that it decreases.

#### *6. Decreases our freedom of choice*

Through marketing quotas, farmers are in effect restricted in the use of their agricultural facilities as their best judgment dictates. Drastic restrictions in production also sharply restrict activity in related agricultural industry. Each step we take toward making farmers dependent upon government lessens their independence and takes the entire country one step closer to a type of government that our forefathers tried to avoid when they set up a limited government.

### RIGID PRICE SUPPORTS INJURE CONSUMERS

By holding commodities off the market permanently and making them artificially scarce, as contrasted to helping farmers market their products, rigid supports increase the cost of food to consumers. The most striking example is butter. When price supports were lowered



by the Secretary of Agriculture from 90 to 75 percent of parity, a corresponding price decrease occurred in the market place. As a result consumption of dairy products increased about 7 percent.

While the detailed facts may be hidden from view, many of the farmers' customers "know that something is wrong" and they do not like it. The general public became resentful about the potato and egg programs which resulted in the Government removing price supports on these commodities. The general situation with respect to wheat and other commodities is causing similar resentment. Unconsciously the general public understands that if land, labor, and equipment is being used to produce commodities which are not being sold, that someone is paying for this waste. They suspect that somehow they are being unfairly treated. There isn't any question but what consumers ultimately have to pay for using resources to produce what consumers do not want.

The public generally, as well as the farmers, are aware of the fact that the public debt is straining at the \$275 billion limitation and that rigid price supports have helped contribute to this burden. The reality of taxation and the burden of the public debt cannot be explained away to the taxpayer by failing to look at all of the costs. While it is true that the Commodity Credit Corporation has only recorded losses of about \$2¼ billion on the program that it calls price support, it is only fair to point out that billions of dollars have been spent for surplus removal programs, acreage allotment and marketing quota programs, none of which would have been carried out except for the problems created by price supports. The Department of Agriculture has submitted facts which make it abundantly clear that rather than the true cost of price support being a billion dollars, that it is many, many times this figure. However, this is not the most important issue. The real question is, Have rigid supports worked? Obviously they have not worked and we are not getting full value for the money spent.

#### SURPLUS DISPOSAL

The Federal Government has billions of dollars worth of surpluses on hand.

The Government is trying to dispose of its stocks without destroying the market or incur the wrath of friendly foreign nations. This is not easy.

It is trying to dispose of them by—

First, sales for dollars in cash.

Second, sales on credit for dollars.

Third, sales for foreign currencies. (Under this program the foreign currencies are being reloaned to the foreign country at very reasonable rates. In many instances, these currencies are being given to the foreign country for economic development.)

Fourth, exchanges for other commodities (barter).

Fifth, gifts to schools for school lunches.

Sixth, gifts for domestic charitable institutions.

Seventh, gifts to friendly foreign countries.

Eighth, gifts to domestic charitable organizations for gifts to foreign peoples (CARE, etc.).

Despite all of these activities, surpluses are continuing to build up in the hands of the Federal Government at a much greater rate than the rate of disposal. It is correct to say that the Government is finding it extremely difficult to even give away stocks at a faster rate than they are accumulating. Yet some people in the face of such facts say we do not have surpluses.

#### DUAL PARITY

Section 106 extends into the indefinite future the provision that for basic commodities the effective parity is the old or new parity price whichever is higher. Such a provision was in effect from 1950 through 1955.

Prior to the adoption of the new parity definition which became effective in 1950, parity prices were sharply criticized because they retained the same pattern of price relationships that existed in 1910-14. One of the major reasons for adopting the new parity formula was to bring and to keep the pattern of price relationships more nearly up to date.

When the new formula increased parity prices, it went into full effect immediately.

To avoid any sharp decline in the parity prices of individual commodities the law provided that the decline in the parity price of any commodity could not exceed 5 percent of the old parity price in any 1 year. This provision was effective for nonbasic commodities beginning in 1950. The Agricultural Act of 1954 provided for a similar transitional provision to become effective on basic commodities in 1956.

The effect of continuing the use of old or new parity, whichever is higher, for basic commodities is acceptance of the new parity formula when it results in a higher parity price and rejection when it results in a lower parity price. This is more generous treatment for basic commodities than for the nonbasic. Furthermore, it is another effort to maintain a rigid support price for the commodities which are already in the most serious trouble as a result of rigid support prices.

Making the parity price the result of whichever of two alternative calculations gives the higher answer raises serious questions about the whole parity concept. If the new parity formula is an improvement over the old formula, and we think it is, it should be accepted for all commodities. If it is not an improvement it should be rejected for all commodities.

#### RIGID 90 PERCENT SUPPORTS ARE A FAILURE

The facts are well known to farmers, consumers, taxpayers and the Congress.

Rigid price support amounts to a price ceiling at the support level, misdirects the use of agricultural resources by maintaining an excess output, prohibits the proper flow of commodities into consumption, attracts additional imports of commodities in surplus, prices American products out of the world market, injures the income of farmers, injures consumers, and is therefore against the best interests of the country generally.



The Senate should reject the proposal for rigid 90 percent price supports for wheat, cotton, corn, and peanuts for 1956 and 1957 as well as reject the proposal for continuing the dual parity standard of requiring old parity for any so-called basic commodity if it is higher than modernized parity.

Those subscribing to the above minority views are as follows:

SPESSARD L. HOLLAND.  
CLINTON P. ANDERSON.  
GEORGE D. AIKEN.  
BOURKE B. HICKENLOOPER.  
JOHN J. WILLIAMS.

## APPENDIX A

### AGRICULTURAL DEVELOPMENTS

(Part IV of Appendix B of the Economic Report of the President, Jan. 24, 1956)

#### OUTPUT AND STOCKS

Total farm output set a new record in 1955—about 3 percent more than in 1954 and 12 percent more than in 1950. For most major categories of farm commodities, previous records were approached or exceeded (chart 1).

Output of all livestock and livestock products rose by nearly 3 percent during the year, largely as a result of the 4-percent increase over previous high figures for meat animals while production of poultry and dairy products continued at record levels. Sharply increased pork production and unprecedented beef production furnished meat supplies of 161 pounds per capita, the highest since 1908.

Output of all crops in 1955 closely approached the all-time high of 1948, despite instances of severe weather damage in several areas and acreage restrictions on the six "basic" crops. Feed grain output was nearly 6 percent higher than in 1954, and second only to 1948. Hay and forage production rose more than 5 percent and was close to the record set in 1942. Output of oil-bearing crops was 10 percent above the previous record level of 1954. Though planted acreage in cotton was 12 percent less than in the previous year, total output increased by 7 percent because of record-breaking yields. Production of food grains was reduced from that in the previous year by smaller acreage allotments on wheat and rice, but the acreage reduction was partially offset by higher yields.

The 1955 crops were produced on about the same total acreage of cropland used in 1954. The index of crop production per acre reached a new high, 5 percent above 1954 and 1 percent above 1948. The man-hours of labor used for farmwork continued the more or less steady decline that had begun in 1919. The 1955 figure was about the same as in 1954 and 39 percent below the 1918 peak. Output per man-hour continued the rise that has been so pronounced since the beginning of World War II; the index reached 130 percent of the 1947-49 average in 1955, an increase of 16 percent since 1950 and 88 percent since 1940.

These summary figures reflect the rapid changes in our commercial agriculture during the last two decades. Increased use of machinery to replace human labor and horses, increased use of fertilizer, widespread adoption of many new production techniques, and increasing farm size which facilitates adoption of these more efficient methods have all contributed to the rapid rise in output (chart 2).

At the beginning of the crop year stocks of most major farm commodities were unusually high, and the bulk of the carryover of most price-supported commodities was held by the CCC (chart 3). Production in 1955 again exceeded market demand at current prices, and CCC inventories and commitments for loans outstanding reached the record level of \$8.2 billion on November 30, 1955. World supplies of many agricultural products are at all-time highs, and surpluses of cotton and wheat are particularly large.

#### FARM PRICE MOVEMENTS

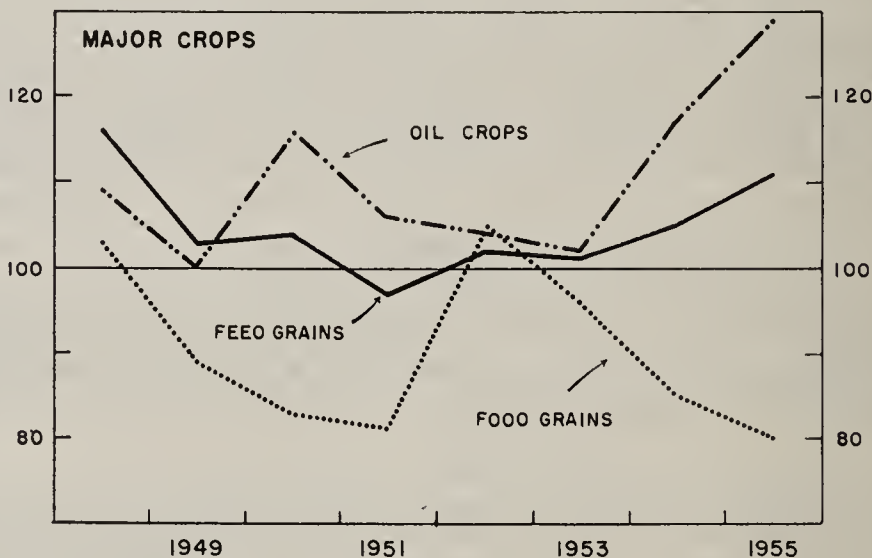
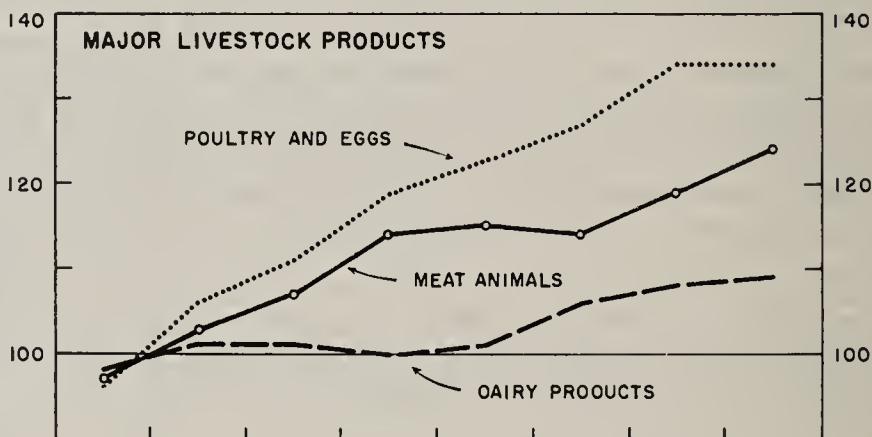
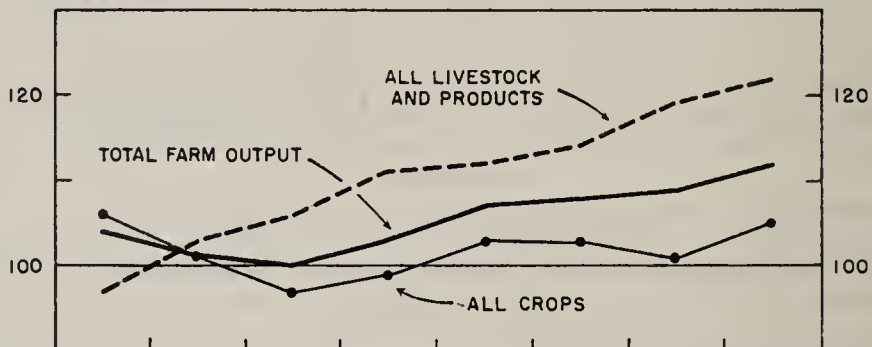
Average prices received by farmers for all products remained fairly stable in the first half of the year, slightly above the level of the last months of 1954. In mid-1955 the impact of the near-record harvest began to be felt, and the index of prices received by farmers declined in almost every month from June through December. On December 15, 1955, the index of prices received was 7 percent below that of a year earlier (chart 4).

CHART 1

## Farm Output

INDEX, 1947-49 = 100

INDEX, 1947-49 = 100

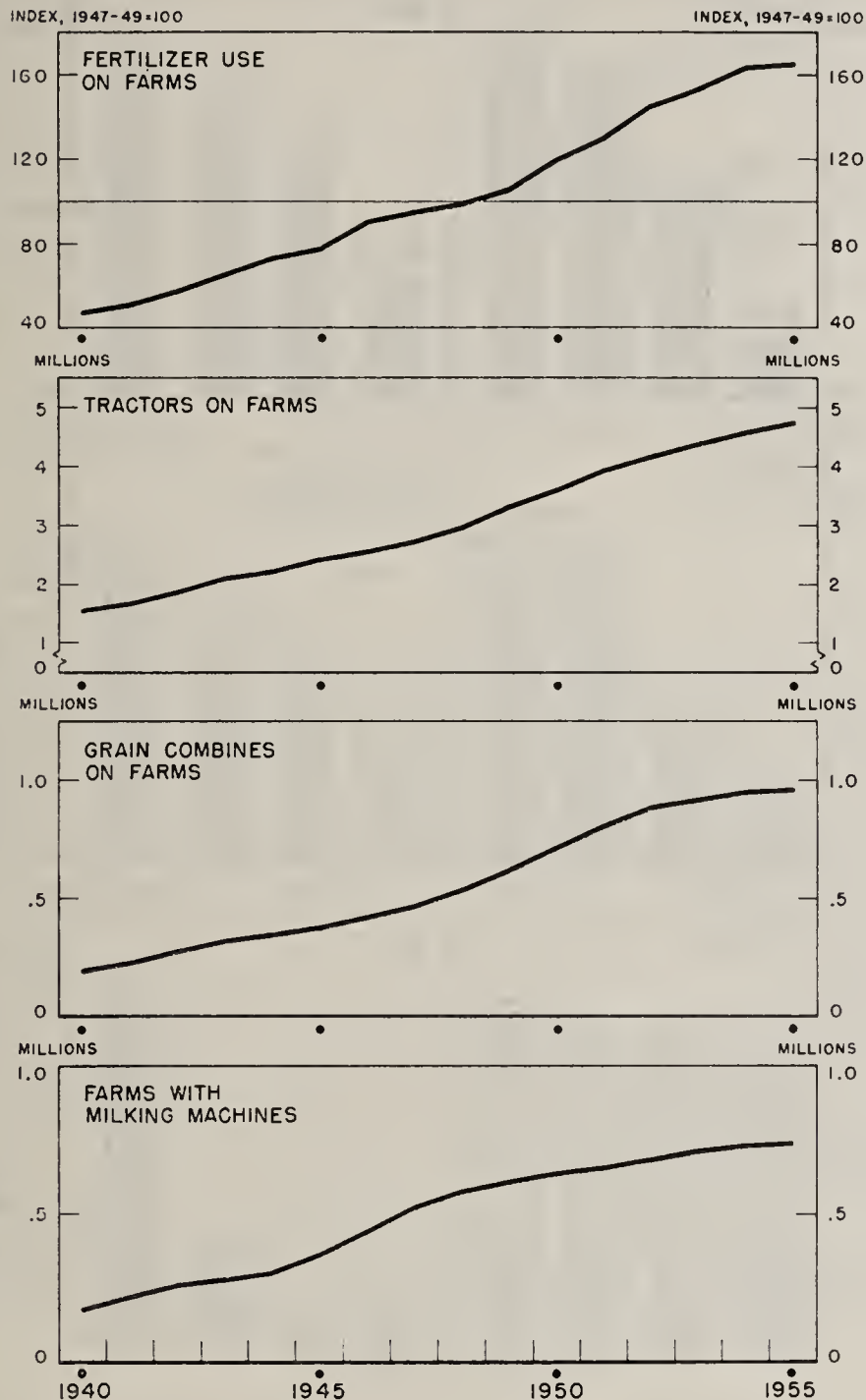


SOURCE: DEPARTMENT OF AGRICULTURE.



CHART 2

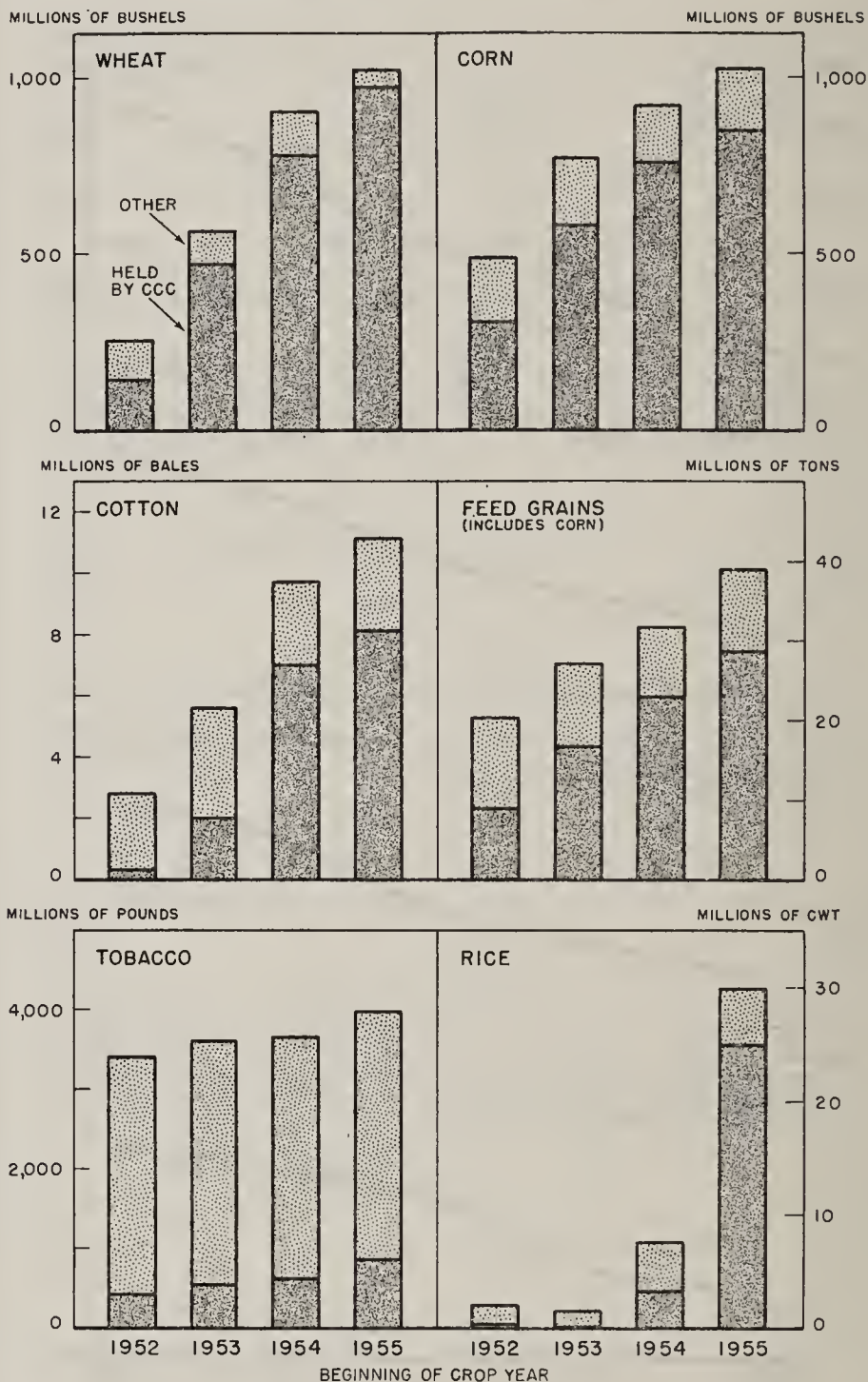
# Fertilizer and Machines Used on Farms



SOURCE: DEPARTMENT OF AGRICULTURE.

CHART 3

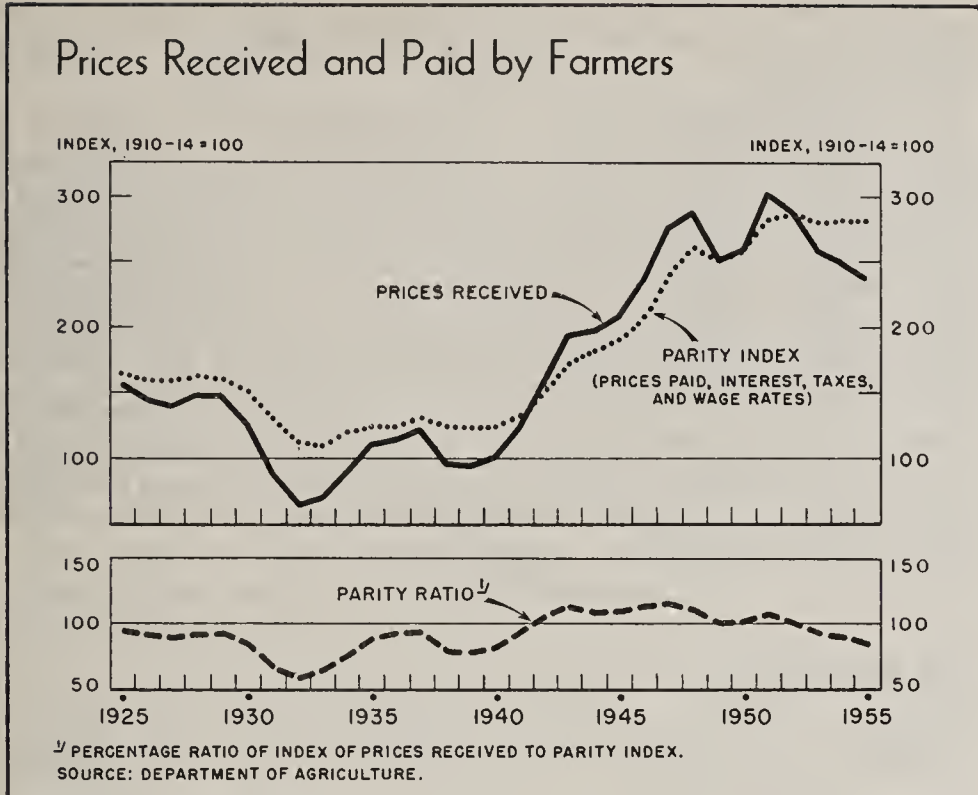
# Carry-over of Selected Crops Total and Amount Held by CCC



SOURCE. DEPARTMENT OF AGRICULTURE.



CHART 4



The decline in the average conceals many divergent price movements. The December 1955 index of prices received for poultry and eggs was 32 percent higher than in December 1954, and prices received for dairy products, tobacco, and commercial vegetables were all slightly higher than a year earlier. The largest price declines were in products marked by high current output; and for some of these products, carryover stocks were already abnormally heavy. The December 1955 index of feed grain prices was 16 percent lower than the index in December 1954. Because of the record output, prices of oil-bearing crops decreased by 17 percent between December 15, 1954, and December 15, 1955; and the larger crop of potatoes resulted in sharply lower prices to potato producers. The index of prices received for meat animals was 21 percent lower on December 15 than a year earlier, largely because the average price of hogs had dropped by 38 percent.

The prices paid by farmers for commodities used in family living remained relatively stable during the year. Prices paid for items used in production declined slightly, primarily as a result of lower feed prices. In the last few months these declines were partially offset by increases in the prices paid for motor vehicles and farm machinery. The expansion of nonfarm employment opportunities contributed to a rise in farm wage rates, which at the end of the year were 3 percent higher than a year earlier and more than 5 times the average in the 1910-14 base period. The index of farm real-estate taxes rose by nearly 5 percent during 1955, and that for interest charges by 8 percent. The index of prices paid by farmers, interest rates, taxes, and wage rates are combined to form the parity index, which was at the same level at the end of 1955 as a year earlier.

Since the parity index remained unchanged while the index of prices received decreased during 1955, the parity ratio declined (chart 4). The average for the year was 84, which was 6 percent below the 1954 average. On December 15, 1955, the parity ratio was 80, or 7 percent less than the figure for a year earlier.

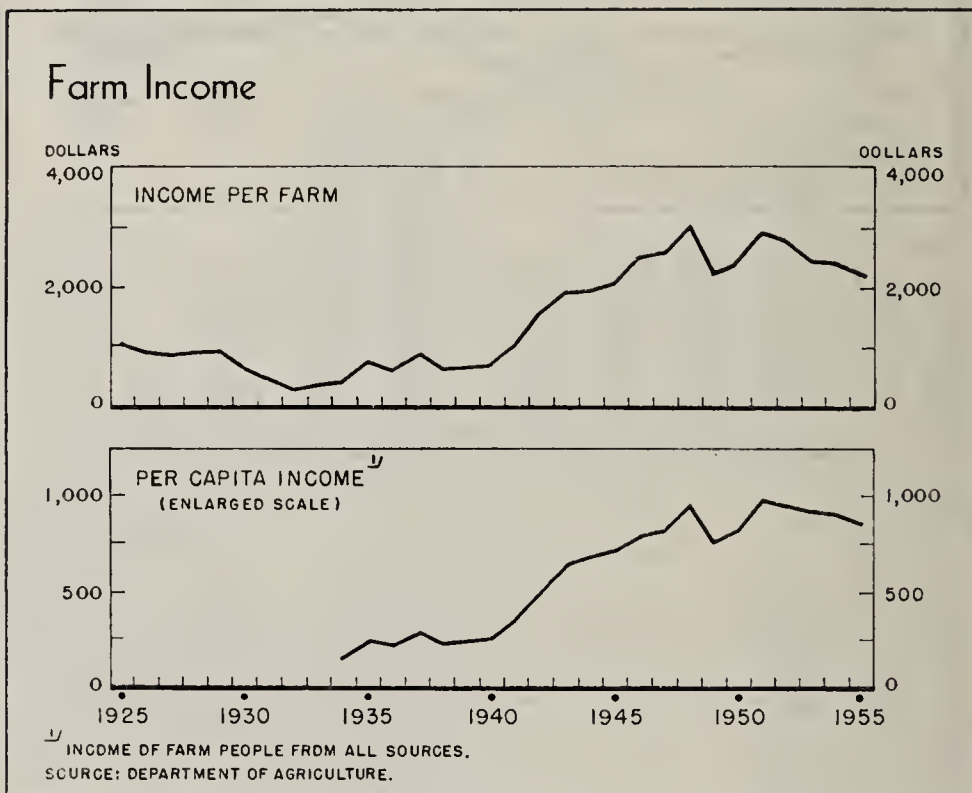
## FARM INCOME

The increased sales of farm products during the year were not enough to offset the fall in farm prices, and net farm income declined. Realized net farm income of farm operators in 1955 is now estimated at 10.6 billion dollars, a decrease of 10 percent from 1954.

The number of farms continued to decline as existing farms were enlarged to improve efficiency, but net income per farm dropped by about 9 percent. As the economy expanded and nonfarm demands for labor increased, farm people earned more from nonfarm sources, but preliminary indications point to a 6 percent decline in per capita income of farm people from all sources (chart 5).

Nevertheless, many farmers received higher incomes in 1955 than in 1954. Estimates of the Department of Agriculture made for four types of commercial farms indicate that for some farms 1955 was a much better year than 1954. Cotton farmers in the southern Piedmont region, with unusually high yields for this price-supported crop, found their net incomes increased substantially. For dairy farms in the Central Northeast, the higher milk output when prices were stable and feed costs somewhat lower resulted in slightly higher incomes. After very low yields in 1954, wheat-small grain-livestock farms in the Northern Plains generally experienced improved yields in 1955, which raised their income. On the other hand, hog-dairy producers in the Corn Belt found their incomes sharply reduced by lower hog prices which were only partially offset by larger marketings. In the western Corn Belt many producers suffered from a combination of severe drought and low hog prices.

CHART 5



There were also important regional differences in the changes in farm income in 1955 (table 1). Realized net income in New England, the Middle Atlantic States, and the Pacific States averaged approximately the same as in 1954; in the South Atlantic and East South Central regions, it was higher in 1955 than in 1954; and in the West South Central, the East North Central, the West North Central, and the Mountain regions it declined—the decline in the last 3 regions amounting to 20 percent or more. Variations in weather, yields, and individual commodity prices account for most of these variations between regions. Such variations are not unusual in agriculture, and statistics showing total United States farm income often obscure important regional divergences.



TABLE 1.—*Realized net income of farm operators, by regions, 1954-55*

| Region                   | 1954                | 1955 <sup>1</sup> | Percentage change, 1954 to 1955 <sup>1</sup> |
|--------------------------|---------------------|-------------------|----------------------------------------------|
|                          | Millions of dollars |                   |                                              |
| United States total..... | 11, 814             | 10, 576           | -10                                          |
| New England.....         | 200                 | 197               | -2                                           |
| Middle Atlantic.....     | 497                 | 497               | 0                                            |
| East North Central.....  | 2, 266              | 1, 770            | -22                                          |
| West North Central.....  | 2, 795              | 2, 223            | -20                                          |
| South Atlantic.....      | 1, 604              | 1, 687            | +5                                           |
| East South Central.....  | 1, 159              | 1, 229            | +6                                           |
| West South Central.....  | 1, 408              | 1, 264            | -10                                          |
| Mountain.....            | 723                 | 565               | -22                                          |
| Pacific.....             | 1, 162              | 1, 144            | -2                                           |

<sup>1</sup> Preliminary.

Source: Department of Agriculture.

#### AGRICULTURAL FINANCES

Farm prices and incomes generally declined during the year, and both farm mortgage debt and nonmortgage debt rose. Yet total farm asset values and owners' equities in these assets increased, chiefly because the value of farm real estate continued to rise.

Average values of farm real estate on November 1, 1955, were 6 percent higher than a year earlier, and above the peak that had been reached in 1952. There were new record values in nearly half of the States. This strength of farm real estate prices is unusual in the light of the trend in farm prices and incomes and of past relationships. The demand for farm real estate arises in part from the desire of farm operators to enlarge existing farms in order to utilize labor and machines more efficiently. Sales to farm operators accounted for an increasing proportion of farm sales in 1955.

Farm real-estate debt increased by an estimated 10 percent during 1955. It was to be expected that, as land prices moved upward and increasing numbers of younger operators entered farming, farm mortgage debt would rise from its very low level at the end of World War II. However, in historical perspective the present ratio of mortgage debt to real-estate value is low (table 2). The rate of farm foreclosures increased slightly during the year ended March 1, 1955; but it was still below that in any year prior to 1944, only one-ninth of the average for 1925-29 and one-fourteenth of the 1930-34 average. Preliminary indications suggest little change in this rate in 1955.

TABLE 2.—*Value of farm real estate and real estate debt, 1920-55*

| End of year <sup>1</sup> | Value of farm<br>real estate <sup>2</sup> | Real estate<br>debt | Real estate<br>debt as per-<br>cent of value | Foreclosure<br>rate per 1,000<br>farms |
|--------------------------|-------------------------------------------|---------------------|----------------------------------------------|----------------------------------------|
|                          | Billions of dollars                       |                     |                                              |                                        |
| 1920.....                | 61.5                                      | 10.2                | 16.6                                         | 3.2                                    |
| 1921.....                | 54.0                                      | 10.7                | 19.8                                         | 4.0                                    |
| 1922.....                | 52.7                                      | 10.8                | 20.5                                         | 6.6                                    |
| 1923.....                | 50.5                                      | 10.7                | 21.2                                         | 11.7                                   |
| 1924.....                | 49.5                                      | 9.9                 | 20.0                                         | 14.6                                   |
| 1925.....                | 48.7                                      | 9.7                 | 19.9                                         | 16.7                                   |
| 1926.....                | 47.7                                      | 9.7                 | 20.2                                         | 17.4                                   |
| 1927.....                | 47.6                                      | 9.8                 | 20.5                                         | 18.2                                   |
| 1928.....                | 48.0                                      | 9.8                 | 20.3                                         | 17.6                                   |
| 1929.....                | 47.9                                      | 9.6                 | 20.1                                         | 14.8                                   |
| 1930.....                | 43.6                                      | 9.4                 | 21.6                                         | 15.7                                   |
| 1931.....                | 37.1                                      | 9.1                 | 24.5                                         | 18.7                                   |
| 1932.....                | 30.6                                      | 8.5                 | 27.7                                         | 28.4                                   |
| 1933.....                | 31.9                                      | 7.7                 | 24.1                                         | 38.8                                   |
| 1934.....                | 33.1                                      | 7.6                 | 22.9                                         | 28.0                                   |
| 1935.....                | 34.0                                      | 7.4                 | 21.8                                         | 21.0                                   |
| 1936.....                | 35.1                                      | 7.2                 | 20.4                                         | 20.3                                   |
| 1937.....                | 35.0                                      | 7.0                 | 19.9                                         | 18.1                                   |
| 1938.....                | 34.0                                      | 6.8                 | 19.9                                         | 14.3                                   |
| 1939.....                | 33.6                                      | 6.6                 | 19.6                                         | 13.5                                   |
| 1940.....                | 34.6                                      | 6.5                 | 18.8                                         | 12.6                                   |
| 1941.....                | 37.9                                      | 6.4                 | 16.8                                         | 10.5                                   |
| 1942.....                | 42.1                                      | 6.0                 | 14.1                                         | 6.2                                    |
| 1943.....                | 48.8                                      | 5.4                 | 11.1                                         | 4.4                                    |
| 1944.....                | 54.8                                      | 4.9                 | 9.0                                          | 3.1                                    |
| 1945.....                | 61.8                                      | 4.8                 | 7.7                                          | 1.9                                    |
| 1946.....                | 69.6                                      | 4.9                 | 7.0                                          | 1.5                                    |
| 1947.....                | 73.9                                      | 5.1                 | 6.9                                          | 1.1                                    |
| 1948.....                | 76.8                                      | 5.3                 | 6.9                                          | 1.0                                    |
| 1949.....                | 75.3                                      | 5.6                 | 7.4                                          | 1.2                                    |
| 1950.....                | 85.8                                      | 6.1                 | 7.1                                          | 1.4                                    |
| 1951.....                | 93.7                                      | 6.6                 | 7.0                                          | 1.5                                    |
| 1952.....                | 92.7                                      | 7.2                 | 7.7                                          | 1.5                                    |
| 1953.....                | 89.1                                      | 7.7                 | 8.6                                          | 1.2                                    |
| 1954.....                | 91.4                                      | 8.2                 | 8.9                                          | 1.7                                    |
| 1955 <sup>3</sup> .....  | 97.0                                      | 9.0                 | 9.3                                          | 1.9                                    |

<sup>1</sup> Foreclosures are for year ended Mar. 1.<sup>2</sup> Figures for 1950-55 will be revised upward in line with the 1954 Census of Agriculture.<sup>3</sup> Preliminary.

Source: Department of Agriculture.

Farmers' financial assets changed very little during the year, Non-real-estate debt rose about 8 percent, but the rise in real-estate values was more than enough to offset total debt increases. Owners' equities rose about 3 percent.

Source: Economic Report of the President, January 1956.



## INDIVIDUAL VIEWS OF SENATOR SCHOEPPPEL

I concur very generally with this minority report, but I have some reservations with respect to that part of the report which pertains to dual parity.

ANDREW F. SCHOEPPPEL,  
*United States Senator.*

## INDIVIDUAL VIEWS OF SENATOR HICKENLOOPER

While I subscribe to the views expressed in the minority report, I feel it necessary to submit these additional views so that my position may be clearly understood.

### CORN

Title II, setting forth the provisions of the Soil Bank Act, is entirely unsatisfactory as far as corn farmers are concerned. As matters stand now, the soil bank will fail in its primary purpose of balancing supply with demand unless it is amended to take into account the vast resources of the Midwestern Corn Belt. By far the most productive food area in the country is located in the area known as the Corn Belt, which includes Iowa and parts of Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

From 1953 to 1955 approximately 17 million acres of land have been taken out of wheat and cotton and shifted into the production of other crops, mainly, oats, barley, and grain sorghums. The United States Department of Agriculture estimates that, in terms of feeding value equivalent to corn, the production in 1954 and 1955 on these diverted acres of oats, barley, and grain sorghums amounts to over 800 million bushels. Livestock producers mainly outside the commercial corn area have been using oats, barley, and grain sorghums in place of corn as feed. Thus corn stocks have skyrocketed to the highest point in history. The formula in the production-adjustment laws for determining the acreage of corn has forced allotments down from approximately 57 million planted acres to approximately 50 million in 1955, and now for 1956 down to only approximately 43 million acres. Congress has permitted wheat and cotton growers to obtain the benefits of price support and still at the same time shift their problems to the regular feed grain producers. Not only has this been unfair to producers in the Corn Belt but it has also been unfair to the traditional producers of oats, barley, and grain sorghums. Regular corn farmers have contributed very little to the problem, since most of them have disregarded price supports and continued to plant what was economically sound on their own farms and have taken their chances on what the free market would pay them for their corn. As a matter of fact, about 60 percent of the corn produced last year throughout the entire Corn Belt was produced without regard to price support. There has not been an increase in acreage of corn in the traditional Corn Belt area.

Now, the soil bank program in the bill is drafted in such a manner as to say that corn farmers must cut from approximately 57 million acres of corn to approximately 43 million acres before they can even come into compliance and be eligible to begin to participate in earning payments under the Soil Bank Act. Of course, corn farmers would repudiate such a program by not participating in it. The net effect would be to freeze out over 50 percent of the productivity of the



farms of America from participating in the soil bank. This is the area of the country where the soil-bank plan originated. It is the area of the country that can contribute the most to balancing supply with demand.

Since corn farmers are generally not relying on price support there should not be a requirement that acreage allotments for corn be continued. In order to make the soil bank effective in the Midwest, corn allotments should be suspended for 1956 and corn farmers required to put a percentage of soil-depleted land equal to say 10 or 15 percent of the acreage planted to price-supported crops in 1956 in the bank as a condition of eligibility for price support. This would be in lieu of the present requirement that they comply with acreage allotments to qualify for price support. The Secretary of Agriculture has already announced for 1956, in accordance with the law, a price support level of 81 percent of parity. This approach would make it possible for commercial area corn farmers to participate in the soil-bank program on a widespread basis. Consequently it would do far more to bring about a reduction in our present excessive supply of feed grains than would a continuation of corn allotments. Corn producers putting land in the soil bank for a single year to qualify for price support should receive no additional compensations beyond agricultural conservation practice payments for practices actually performed. Producers agreeing to leave land in the soil bank for 3 years or more should be eligible for annual payments in cash or in kind comparable to those made on other land placed in the acreage reserve. In addition, corn farmers should be allowed to participate in the conservation reserve once they meet the requirements of eligibility for price support.

I further propose that the commercial area corn producers be allowed to vote in a referendum to be conducted late this fall on the question of whether or not they desire to return to the present program of acreage allotments and mandatory price supports at 75 to 90 percent of parity or whether, on the basis of this year's experience, they desire to go forward with a program of no acreage allotments with the right to qualify for price support by participating in the soil-bank program and with the level of price support to be determined on the basis of preventing undue fluctuations in corn prices without encouraging uneconomic production.

The following table gives a detailed picture of acreage planted in the commercial area which is subject to quotas and the noncommercial area as well as allotments, yield, production, and other data.

*Corn: Acreage, yield, production, and allotment statistics, 1953-56*

|                                           | 1953                  | 1954   | 1955   | 1956   |
|-------------------------------------------|-----------------------|--------|--------|--------|
| Commercial area (number of counties)----- |                       | 834    | 805    | 840    |
| Allotment-----                            | None                  | 46,996 | 49,843 | 43,281 |
| Planted acres:                            |                       |        |        |        |
| Commercial area-----                      | <sup>1</sup> (56,342) | 56,861 | 56,047 | -----  |
| Noncommercial area-----                   | <sup>1</sup> (25,388) | 25,548 | 25,530 | -----  |
| Total-----                                | 81,730                | 82,409 | 81,577 | -----  |
| Yield:                                    |                       |        |        |        |
| Commercial area-----                      | <sup>1</sup> (45.7)   | 43.7   | 43.7   | -----  |
| Noncommercial area-----                   | <sup>1</sup> (24.3)   | 20.5   | 28.8   | -----  |
| United States-----                        | 39.1                  | 36.5   | 39.0   | -----  |
| Production:                               |                       |        |        |        |
| Commercial area-----                      | <sup>1</sup> (2,575)  | 2,487  | 2,449  | -----  |
| Noncommercial area-----                   | <sup>1</sup> (617)    | 523    | 736    | -----  |
| Total-----                                | 3,192                 | 3,010  | 3,185  | -----  |

<sup>1</sup> Basis 1955 commercial area.

BOURKE B. HICKENLOOPER.



## INDIVIDUAL VIEWS OF SENATOR EASTLAND

I am for a program under which farmers will get the highest possible price for what they produce, the highest possible net income, and which will afford them a high degree of prosperity. This means there must be a price which will move farm products into consumption and which will permit an acreage great enough to assure a sound and prosperous agricultural economy.

However, price alone does not constitute a farm program. As a result of our pricing policy and because we have had no export program an umbrella has been held over the production of synthetic fibers and has caused a very great expansion in foreign cotton production. We have attempted to meet this situation by acreage reduction in the United States. In fact, the American cotton farmer has been the only farmer who has reduced his acreage. This system will not work and the acreage reductions which have been imposed as a consequence, with the additional acreage reductions which are sure to follow in the future will destroy the American cotton-growing industry. In fact, the parity income of the American cotton farmer is pitifully low.

American cotton must be placed in a better competitive position with rayon and other synthetic fibers. In addition, the American cotton farmer needs the help of the Government in liquidating the huge surplus of cotton and in recapturing foreign markets. We must, in the future, guard against a system which is certain to make cotton so noncompetitive that we will again lose our markets and cause a return to the present conditions which confront us. There is no substitute for markets. In fact, the prosperity of the American cotton industry depends upon sound markets. This is what we must strive to accomplish.

In my judgment, with an export program, the small farmer minimum acreage amendment, and the soil-bank provisions of the bill, the American cotton farmer will be better off than with the provision which will reinstate 90 percent support prices in the next 2 years. In fact, these provisions will liquidate the surplus and will, in time, bring relief to the American cotton farmer.

JAMES O. EASTLAND.

THE HISTORY OF THE UNITED STATES OF AMERICA

The history of the United States of America is a story of growth and development. It begins with the first settlers who came to the continent in search of a new home. These early pioneers faced many hardships, but they persevered and built a nation that would one day become a world power. The story of the United States is a story of the struggle for freedom and the pursuit of the American dream. It is a story of the many men and women who have shaped the course of our nation's history, from the founding fathers to the present day. The United States has come a long way since its founding, and it continues to grow and develop. We are a nation of many cultures and many people, and we are proud of our diversity. We are a nation that values freedom and justice for all, and we are committed to these principles. The history of the United States is a story of hope and possibility, and it is a story that we can all be proud of.



Calendar No. 1503

84TH CONGRESS  
2D SESSION

**S. 3183**

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 1956

Mr. ELLENDER, from the Committee on Agriculture and Forestry, reported the following bill; which was read twice and placed on the calendar

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**A BILL**

To provide an improved farm program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Agricultural Act of  
4       1956".

5                   **TITLE I—PRICE SUPPORT**

6                   **PRICE SUPPORT LEVELS—BASIC COMMODITIES**

7       SEC. 101. Section 101 (d) (6) of the Agricultural  
8       Act of 1949, as amended, is amended to read as follows:

9               “(6) except as provided in section 402, the level  
10       of support to cooperators shall be 90 per centum of the  
11       parity price for the 1956 and 1957 crops of any basic

1 agricultural commodity other than wheat if producers  
2 have not disapproved marketing quotas therefor;”.

3 PRICE SUPPORTS—MILLING QUALITY WHEAT

4 SEC. 102. Section 101 (d) of the Agricultural Act of  
5 1949, as amended, is amended by adding at the end thereof  
6 the following:

7 “(8) if producers have not disapproved marketing  
8 quotas for the crop, (A) the support price to coopera-  
9 tors for milling quality wheat shall be established upon  
10 the basis of a support level for the crop of 90 per cen-  
11 tum of the parity price for wheat, and (B) the support  
12 price to cooperators in any area for any other wheat  
13 shall be established, without regard to paragraph (7) of  
14 this subsection, at such level as the Secretary determines  
15 will preserve the competitive relationship between such  
16 wheat and corn on the basis of their respective feed  
17 values; but in no event shall the average support price  
18 to cooperators for all wheat (based upon antici-  
19 pated production) be less than 75 per centum  
20 of its parity price. For the purposes of this  
21 paragraph milling quality wheat shall be wheat  
22 produced in any area from seed of a variety  
23 which in such area normally produces wheat of a qual-  
24 ity desired for milling purposes. In determining milling  
25 quality wheat, the Secretary shall consult with a com-



mittee appointed by him and composed of three representatives from each of the principal wheat-producing areas. Of the three representatives from each area, one shall be a wheat farmer, one shall be a wheat miller, and one shall be a person experienced in research on wheat varieties. At least one of the millers on the committee shall have had experience in producing semolina flour. Wheat of the 1956 crop planted in any area shall be milling quality wheat for the purposes of this paragraph, unless such wheat is of a variety which was designated as undesirable in such area by the Department of Agriculture prior to the time such wheat was planted. This paragraph shall be applicable only to the 1956 and 1957 crops."

#### PRICE SUPPORTS—COTTONSEED AND SOYBEANS

SEC. 103. Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market."

#### STANDARD GRADE FOR COTTON

SEC. 104. (a) Section 403 of the Agricultural Act of

1 1949, as amended, is amended by striking out the last  
2 sentence thereof.

3 (b) Section 3 (a) of the Act of August 29, 1949 (7  
4 U. S. C. 1301 (b) ), is repealed.

5 PRICE SUPPORTS—MANUFACTURING MILK

6 SEC. 105. The first sentence of subsection (c) of section  
7 201 of the Agricultural Act of 1949, as amended, is amended  
8 to read as follows: "The price of whole milk, butterfat, and  
9 the products of such commodities, respectively, shall be  
10 supported at not less than 80 per centum nor more than 90  
11 per centum of the parity price therefor using a parity equiv-  
12 alent for manufacturing milk based on the thirty-month  
13 period July 1946 to December 1948, both inclusive."

14 PARITY FORMULA

15 SEC. 106. Section 301 (a) (1) (G) of the Agricultural  
16 Adjustment Act of 1938, as amended (providing for a dual  
17 parity formula), is amended by striking out the following: "  
18 as of any date during the six-year period beginning Janu-  
19 ary 1, 1950,". The Secretary shall make a thorough study  
20 of possible methods of improving the parity formula and re-  
21 port thereon, with his recommendations, to Congress within  
22 six months after the enactment of this Act.

23 EFFECTIVE DATE

24 SEC. 107. This title shall take effect with the 1956 crops.



## TITLE II—SOIL BANK ACT

## SHORT TITLE

SEC. 201. This title may be cited as the “Soil Bank Act”, and the term “this Act” when used in this title shall mean the Soil Bank Act.

## DECLARATION OF POLICY

SEC. 202. The Congress hereby finds that the production of excessive supplies of agricultural commodities depresses the prices and income of farm families; constitutes improper land use and brings about soil erosion, depletion of soil fertility, and too rapid release of water from lands where it falls, thereby adversely affecting the national welfare, impairing the productive facilities necessary for a continuous and stable supply of agricultural commodities, and endangering an adequate supply of water for agricultural and nonagricultural use; overtaxes the facilities of interstate and foreign transportation; congests terminal markets and handling and processing centers in the flow of commodities from producers to consumers; depresses prices in interstate and foreign commerce; disrupts the orderly marketing of commodities in such commerce; and otherwise affects, burdens, and obstructs interstate and foreign commerce. It is in the interest of the general welfare that the soil and water resources of the Nation be not wasted and depleted

1 in the production of such burdensome surpluses and that  
2 interstate and foreign commerce in agricultural commodities  
3 be protected from excessive supplies. It is hereby declared  
4 to be the policy of the Congress and the purposes of this  
5 Act to protect and increase farm income, to protect the  
6 national soil, water, and forest and wildlife resources from  
7 waste and depletion, to protect interstate and foreign com-  
8 merce from the burdens and obstructions which result from  
9 the utilization of farm land for the production of excessive  
10 supplies of agricultural commodities, and to provide  
11 for the conservation of such resources and an adequate,  
12 balanced, and orderly flow of such agricultural commodities  
13 in interstate and foreign commerce. To effectuate the policy  
14 of Congress and the purposes of this Act programs are  
15 herein authorized to assist farmers to divert a portion of  
16 their cropland from the production of excessive  
17 supplies of agricultural commodities, and to carry  
18 out a program of soil, water, forest and wildlife con-  
19 servation. The activities authorized under this Act are  
20 supplementary to the acreage allotments and marketing  
21 quotas authorized under the Agricultural Adjustment Act  
22 of 1938, as amended, and together with such acreage allot-  
23 ments and marketing quotas, constitute an overall program  
24 to prevent excessive supplies of agricultural com-



1 modities from burdening and obstructing interstate and  
2 foreign commerce.

3           SUBTITLE A—ACREAGE RESERVE PROGRAM

4                       TERMS AND CONDITIONS

5       SEC. 203. Notwithstanding any other provision of law,  
6 the Secretary of Agriculture (hereinafter referred to as the  
7 “Secretary”) is authorized and directed to formulate and  
8 carry out an acreage reserve program for the 1956, 1957,  
9 1958, and 1959 crops of wheat, cotton, corn, rice, flue-cured  
10 tobacco, burley tobacco, and cigar binder tobacco types 51,  
11 52, 54, and 55, respectively (hereinafter referred to as “the  
12 commodity”), under which producers shall be compensated  
13 for reducing their acreages of the commodity below their  
14 farm acreage allotments established under the Agricultural  
15 Adjustment Act of 1938, as amended. To be eligible for  
16 such compensation the producer (a) shall reduce his acreage  
17 of the commodity below his farm acreage allotment within  
18 such limits as the Secretary may prescribe, (b) shall specifi-  
19 cally designate the acreage so withdrawn from the produc-  
20 tion of such commodity (thereinafter referred to as the “re-  
21 serve acreage”), and (c) shall not harvest any crop from,  
22 or graze, the reserve acreage unless the Secretary, after  
23 certification by the Governor of the State in which such  
24 acreage is situated of the need for grazing on such acreage,

1 determines that it is necessary to permit grazing thereon in  
2 order to alleviate damage, hardship, or suffering caused by  
3 severe drought, flood, or other natural disaster, and consents  
4 to such grazing. The reserve acreage shall be in addition  
5 to any acreage devoted to the conservation reserve program  
6 authorized under subtitle B of this Act. In the formulation  
7 and administration of the acreage reserve program the Sec-  
8 retary shall provide adequate safeguards to protect the inter-  
9 ests of tenants and sharecroppers, including provision for  
10 sharing, on a fair and equitable basis, in the certificates  
11 issued pursuant to section 205 hereof, and including such  
12 provision as may be necessary to prevent them from being  
13 forced off the farm. The acreage reserve program may in-  
14 clude such terms and conditions, in addition to those specifi-  
15 cally provided for herein, including provisions relating to  
16 control of noxious weeds on the reserve acreage, as the  
17 Secretary determines are desirable to effectuate the purposes  
18 of this Act and to facilitate the practical administration of  
19 the acreage reserve program.

20           EXTENT OF PARTICIPATION IN PROGRAM

21       SEC. 204. For purposes of the acreage reserve program  
22 the Secretary shall establish a national reserve acreage goal  
23 for the 1956, 1957, 1958, and 1959 crops of wheat, cotton,  
24 corn, rice, flue-cured tobacco, burley tobacco, and cigar  
25 binder tobacco types 51, 52, 54, and 55, respectively.



1 The limits within which individual farms may participate  
2 in the acreage reserve program shall be established in  
3 such manner as the Secretary determines is reasonably  
4 calculated to achieve the national reserve acreage goal  
5 and give producers a fair and equitable opportunity to  
6 participate in the acreage reserve program, taking into  
7 consideration their acreage allotments, established under the  
8 Agricultural Adjustment Act of 1938, as amended, the  
9 supply and demand conditions for different classes, grades,  
10 and qualities of the commodity, and such other factors as  
11 he deems appropriate.

12 COMPENSATION OF PRODUCERS

13 SEC. 205. (a) Producers shall be compensated for par-  
14 ticipating in the acreage reserve program for any commodity  
15 through the issuance of negotiable certificates which the  
16 Commodity Credit Corporation shall redeem in accordance  
17 with regulations prescribed by the Secretary—

18 (1) in cash upon presentation by the producer or  
19 by any holder in due course; or

20 (2) in grains and cotton, in the case of certificates  
21 issued with respect to grains and cotton, at not more  
22 than 110 per centum of their cash value, at the option  
23 of the producer and upon presentation by him (such  
24 grain and cotton to be valued for such purpose at 105

1 per centum of the current support price plus reasonable  
2 carrying charges, or the market price, whichever is  
3 higher)

4 The option extended to producers under clause (2) of  
5 this subsection shall be available to producers of any com-  
6 modity only until the beginning of any marketing year for  
7 which the total supply of the commodity does not exceed  
8 its normal supply as defined in the Agricultural Adjustment  
9 Act of 1938, as amended. Certificates redeemed under such  
10 clause shall be redeemed only in the commodity with respect  
11 to which such certificates are issued, except that certificates  
12 for corn or wheat may be redeemed in any feed grain, includ-  
13 ing wheat for feed, on such basis as may be mutually agreed  
14 upon. Compensation under this section shall be at such rate  
15 or rates as the Secretary determines will provide producers  
16 with a fair and reasonable return for reducing their acreage  
17 of the commodity, taking into consideration the loss of pro-  
18 duction of the commodity on the reserve acreage, any sav-  
19 ings in cost which result from not planting the commodity  
20 on the reserve acreage, and the incentive necessary to  
21 achieve the reserve acreage goal. Commodities delivered  
22 to producers in redemption of such certificates shall not be  
23 eligible for tender to Commodity Credit Corporation under  
24 the price support program.

25 (b) The total compensation paid producers for partici-



1 pating in the acreage reserve program with respect to any  
 2 year's crops shall not exceed \$750,000,000. The compen-  
 3 sation paid any producer for participating in the acreage  
 4 reserve program with respect to any crop of tobacco shall  
 5 not exceed \$100 per acre.

## 6 EFFECT ON ACREAGE ALLOTMENTS AND QUOTAS

7 SEC. 206. (a) In the future establishment of State,  
 8 county, and farm acreage allotments for wheat, cotton, corn,  
 9 rice, flue-cured tobacco, burley tobacco, and cigar binder  
 10 tobacco types 51, 52, 54, and 55, respectively, under the  
 11 Agricultural Adjustment Act of 1938, as amended, reserve  
 12 acreages applicable to the commodity shall be credited to  
 13 the State, county, and farm as though such acreage had  
 14 actually been devoted to the production of the commodity.

15 (b) In applying the provisions of paragraph (6) of  
 16 Public Law 74, Seventy-seventh Congress (7 U. S. C.  
 17 1340 (6)), and sections 326 (b) and 356 (g) of the  
 18 Agricultural Adjustment Act of 1938, as amended (7  
 19 U. S. C. 1326 (b), 1356 (g)), relating to reduction of  
 20 the storage amounts of wheat and rice, the reserve acreage  
 21 of the commodity on any farm shall be regarded as wheat  
 22 acreage or rice acreage, as the case may be, on the farm.

## 23 SUBTITLE B—CONSERVATION RESERVE PROGRAM

### 24 TERMS AND CONDITIONS

25 SEC. 207. (a) To effectuate the purposes of this Act

1 the Secretary is hereby authorized to enter into contracts  
2 for periods of not less than three years with producers deter-  
3 mined by him to have control for the contract period of the  
4 farms covered by the contract wherein the producer shall  
5 agree:

6 (1) To establish and maintain for the contract period  
7 protective vegetative cover (including but not limited to  
8 grass and trees), water storage facilities, or other soil, water,  
9 wildlife, or forest conserving uses on a specifically designated  
10 acreage of land on the farm regularly used in the production  
11 of crops (including crops, such as tame hay, alfalfa, and  
12 clovers, which do not require annual tillage).

13 (2) To devote to conserving crops or uses, or allow  
14 to remain idle, throughout the contract period an acreage  
15 of the remaining land in the farm which is not less than the  
16 acreage normally devoted only to conserving crops or uses  
17 or normally allowed to remain idle on the entire farm.

18 (3) Not to harvest any crop from the acreage estab-  
19 lished in protective vegetative cover, excepting timber (in  
20 accordance with sound forestry management) and wildlife  
21 or other natural products of such acreage which do not  
22 increase supplies of feed for domestic animals.

23 (4) Not to pasture any acreage established in protective  
24 vegetative cover prior to January 1, 1959, or such later  
25 date as may be provided in the contract, except pursuant



1 to the provisions of section 203 hereof; and if such acreage  
2 is pastured at the end of such period, to pasture such acreage  
3 during the remainder of the period covered by the contract  
4 in accordance with sound pasture management.

5 (5) Not to adopt any practice, or divert lands on the  
6 farm from conservation, woods, pasture, or other use to any  
7 use, specified by the Secretary in the contract as a practice  
8 or use which would tend to defeat the purposes of the  
9 contract.

10 (6) To forfeit all rights to further payments or grants  
11 under the contract and refund to the United States all pay-  
12 ments or grants received thereunder upon his violation of  
13 the contract at any stage during the time he has control  
14 of the farm if the Secretary determines that such violation  
15 is of such a nature as to warrant termination of the contract,  
16 or to make such refunds or accept such payment adjustments,  
17 or forfeit such price support benefits, as the Secretary may  
18 deem appropriate if he determines that the producer's viola-  
19 tion does not warrant termination of the contract.

20 (7) To such additional provisions as the Secretary de-  
21 termines are desirable and includes in the contract to effectuate  
22 the purposes of this Act and to facilitate the practical  
23 administration of the conservation reserve program, includ-  
24 ing provisions relating to control of noxious weeds.

1       (b) In return for such agreement by the producer the  
2 Secretary shall agree:

3       (1) To bear such part of the cost (including labor)  
4 of establishing and maintaining vegetative cover or water  
5 storage facilities, or other soil, water, wildlife, or forest  
6 conserving uses, on the designated acreage as the Secretary  
7 determines to be necessary to effectuate the purposes of this  
8 Act, but not to exceed a maximum amount per acre or  
9 facility prescribed by the Secretary for the county or area  
10 in which the farm is situated; and

11       (2) To make an annual payment to the producer for  
12 the term of the contract upon determination that he has ful-  
13 filled the provisions of the contract entitling him to such  
14 payment. The rate or rates of the annual payment to be  
15 provided for in the contracts shall be established on such  
16 basis as the Secretary determines will provide producers  
17 with a fair and reasonable annual return on the land estab-  
18 lished in protective vegetative cover or water storage facili-  
19 ties, or other soil, water, wildlife, or forest conserving  
20 uses, taking into consideration the value of the land for the  
21 production of commodities customarily grown on such kind  
22 of land in the county or area, the prevailing rates for cash  
23 rentals for similar land in the county or area, the incentive  
24 necessary to obtain contracts covering sufficient acreage for  
25 the substantial accomplishment of the purposes of the con-



1    servation reserve program, and such other factors as he  
2    deems appropriate. Such rate or rates may be determined  
3    on an individual farm basis, a county or area basis, or such  
4    other basis as the Secretary determines will facilitate the  
5    practical administration of the program.

6           (c) In determining the lands in any area to be covered  
7    by contracts entered into under this section, the Secretary  
8    may use advertising and bid procedure if he determines that  
9    such action will contribute to the effective and equitable  
10   administration of the conservation reserve program.

11           (d) The Secretary shall not terminate a contract under  
12   paragraph (6) of subsection (a) unless he determines that  
13   the nature of the violation is such as to defeat or substantially  
14   impair the purposes of the contract. Whenever the Secre-  
15   tary has reason to believe that there has been a violation  
16   which would warrant termination of a contract he shall give  
17   the producer written notice thereof and the producer shall,  
18   if he requests such an opportunity within thirty days after  
19   mailing or serving of such notice, be given an opportunity  
20   to show cause, in a formal or informal proceeding under  
21   regulations promulgated by the Secretary, why the contract  
22   should not be terminated. If the Secretary determines that  
23   the contract shall be terminated the producer shall be given  
24   written notice of such determination. If the producer feels  
25   aggrieved by such determination, he may within ninety days

1 after the mailing or service of such notice appeal to the  
2 United States district court, for the district in which the  
3 land covered by the contract is located, for a determination  
4 of the facts in the case and judicial relief with respect thereto.  
5 If the producer does not request an opportunity to show  
6 cause why the contract should not be terminated, within  
7 such thirty-day period, or appeal from the Secretary's deter-  
8 mination within such ninety-day period, the Secretary's  
9 determination shall be final and conclusive.

10 CONSERVATION RESERVE GOAL

11 SEC. 208. (a) The Secretary shall not later than Febru-  
12 ary 1 of each year determine and announce the national  
13 conservation reserve goal for such year. Such goal shall  
14 be that percentage which the Secretary determines it is prac-  
15 ticable to cover by contracts during such year of the number  
16 of acres, if any, by which (1) the acreage used for the pro-  
17 duction of agricultural commodities during the year preced-  
18 ing the year for which such determination is made, plus any  
19 acreage then in the acreage or conservation reserve program  
20 or retired from production as a result of acreage allotments or  
21 marketing quotas, exceeds (2) the acreage needed during  
22 the year for which such determination is made for the pro-  
23 duction of agricultural commodities for domestic consumption  
24 and export and an adequate allowance for carry-over. As  
25 soon as practicable after the enactment of this Act the Sec-



1    retary shall determine the national conservation acreage  
2    goal for 1956.

3       (b) In distributing the national acreage goal among the  
4    various States and major crop production regions, the Secre-  
5    tary shall give due regard to the respective needs of the  
6    various States and regions for flood control, drought control,  
7    and other conservation benefits; the desires of producers in  
8    particular States or regions to participate in the conservation  
9    program; the diversion of acreage from crops under acreage  
10   allotments or marketing quotas; and the need to assure  
11   adequate production of agricultural commodities and products  
12   not in surplus and to discourage the production of agricul-  
13   tural commodities and products in surplus.

14       (c) The Secretary shall transmit to the Congress an-  
15   nually a report of the scope of the conservation reserve pro-  
16   gram for such year and the basis for participation in such  
17   program in the various States and major crop production  
18   regions of the country.

19   **AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES**

20       SEC. 209. (a) The Secretary is authorized to formu-  
21   late and announce programs under this subtitle B and to  
22   enter into contracts thereunder with producers during the  
23   five-year period 1956-1960 to be carried out during the  
24   period ending not later than December 31, 1969, except

1 that contracts for the establishment of tree cover may con-  
2 tinue until December 31, 1974.

3 (b) The period covered by any contract shall not  
4 exceed ten years, except that contracts for the establishment  
5 of tree cover may extend for fifteen years.

6 (c) In carrying out the conservation reserve program,  
7 the Secretary shall not enter into contracts with producers  
8 which would require payments to producers, including the  
9 costs of materials and services, in excess of \$350,000,000  
10 in any calendar year.

11 TERMINATION AND MODIFICATION OF CONTRACTS

12 SEC. 210. (a) The Secretary may terminate any con-  
13 tract with a producer by mutual agreement with the producer  
14 if the Secretary determines that such termination would be  
15 in the public interest.

16 (b) The Secretary may agree to such modification of  
17 contracts previously entered into as he may determine to  
18 be desirable to carry out the purposes of this Act and to  
19 facilitate the practical administration of the conservation  
20 reserve program.

21 CONSERVATION MATERIALS AND SERVICES

22 SEC. 211. (a) The Secretary may purchase or produce  
23 conservation materials and services and make such materials  
24 and services available to producers under the conservation  
25 reserve program to aid them in establishing vegetative cover



1 or water storage facilities, or other soil, water, wildlife, or  
2 forest conserving uses, under contracts authorized by this  
3 subtitle B, may reimburse any Federal, State, or local gov-  
4 ernment agency for conservation materials and services  
5 furnished by such agency, and may pay expenses necessary  
6 in making such materials and services available, including  
7 all or part of the costs incident to the delivery, application,  
8 or installation of materials and services.

9 (b) Notwithstanding any other provision of law, in  
10 making conservation materials and services available to pro-  
11 ducers hereunder, the Secretary may make payments, in  
12 advance of determination of performance by the producers,  
13 to persons who fill purchase orders covering approved con-  
14 servation materials or who render services to the Secretary  
15 in furnishing to producers approved conservation materials  
16 or services for the establishment by the producers of vegeta-  
17 tive cover or water storage facilities, or other soil, water,  
18 wildlife, or forest conserving uses, under contracts author-  
19 ized by this subtitle B. The price at which purchase orders  
20 for any conservation material or service are filled may be  
21 limited, if the Secretary determines that it is necessary in  
22 the interest of producers and the Government, to a fair  
23 price fixed in accordance with regulations prescribed by the  
24 Secretary.

## EFFECT ON OTHER PROGRAMS

SEC. 212. Notwithstanding any other provision of law—

(1) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract entered into under the conservation reserve program by reason of the establishment and maintenance of vegetative cover or water storage facilities, or other soil, water, wildlife, or forest conserving uses, under such contract; and

(2) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out the contract entered into under the conservation reserve program shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.

## PROTECTION OF TENANTS AND SHARECROPPERS

SEC. 213. In the administration of the conservation reserve program, the Secretary shall provide adequate safe-



1 guards to protect the interests of tenants and sharecroppers,  
2 including such provision as may be necessary to prevent them  
3 from being forced off the farm.

4 GEOGRAPHICAL APPLICABILITY

5 SEC. 214. This subtitle B shall apply to the continental  
6 United States, and, if the Secretary determines it to be in  
7 the national interest, to one or more of the Territories of  
8 Alaska and Hawaii, the Commonwealth of Puerto Rico, and  
9 the Virgin Islands, and as used in this subtitle B, the term  
10 "State" includes Alaska, Hawaii, Puerto Rico, and the  
11 Virgin Islands.

12 SUBTITLE C—GENERAL PROVISIONS

13 COMPLIANCE WITH ACREAGE ALLOTMENTS

14 SEC. 215. No person shall be eligible for payments of  
15 compensation under this Act with respect to any farm for any  
16 year in which the acreage of any basic agricultural com-  
17 modity other than wheat on the farm exceeds the farm  
18 acreage allotment for the commodity under title III of the  
19 Agricultural Adjustment Act of 1938, as amended, or the  
20 wheat acreage on the farm exceeds the larger of the farm  
21 wheat acreage allotment under such title or fifteen acres.  
22 For the purpose of this section, a producer shall not be  
23 deemed to have exceeded his farm acreage allotment unless  
24 such producer knowingly exceeded such allotment and, in

1 the case of wheat, unless such producer knowingly exceeded  
2 the farm acreage allotment or fifteen acres, whichever is  
3 larger.

#### 4 REAPPORTIONMENT PROHIBITED

5 SEC. 216. No acreage diverted from the production of  
6 any commodity subject to acreage allotments as a result of  
7 participation in the acreage reserve or conservation reserve  
8 programs shall be reapportioned or allotted to any other  
9 farm.

#### 10 CERTIFICATE OF CLAIMANT

11 SEC. 217. Payment or compensation authorized by this  
12 Act may be made upon the certificate of the claimant, in  
13 such form as the Secretary may prescribe, that he has com-  
14 plied with all requirements for such payments and that the  
15 statements and information contained in the application for  
16 payment are correct and true, to the best of his knowledge  
17 and belief.

#### 18 UTILIZATION OF LOCAL AND STATE COMMITTEES

19 SEC. 218. In administering this Act in the continental  
20 United States, the Secretary shall utilize the services of com-  
21 munity, county, and State committees established under sec-  
22 tion 8 of the Soil Conservation and Domestic Allotment Act,  
23 as amended.

#### 24 UTILIZATION OF OTHER AGENCIES

25 SEC. 219. With respect to conservation aspects of any



1 program under this Act, the Secretary shall consult with  
2 the soil-conservation districts, State foresters, land-grant  
3 colleges, and other appropriate agencies of State govern-  
4 ments in the formulation of program provisions at the State  
5 and county levels. The technical resources of the Soil Con-  
6 servation Service, the Forest Service, the land-grant  
7 colleges, the State foresters, and other appropriate technical  
8 services shall be utilized, so far as practicable, to assure  
9 coordination of conservation activities and a solid technical  
10 foundation for the program.

11 UTILIZATION OF LAND USE CAPABILITY DATA

12 SEC. 220. In administering this title the Secretary shall  
13 utilize to the fullest practicable extent land use capability  
14 data, and shall carry forward to completion as rapidly as  
15 possible the basic land inventory of the Nation.

16 FINANCING

17 SEC. 221. (a) The Secretary is authorized to utilize  
18 the facilities, services, authorities, and funds of the Com-  
19 modity Credit Corporation in discharging his functions and  
20 responsibilities under this Act, including payment of costs  
21 of administration for the programs authorized under this  
22 Act. There is hereby authorized to be appropriated such  
23 sums as may be necessary to make payments to the Cor-  
24 poration for its actual costs incurred under this section.

25 (b) All funds available for carrying out the purposes

1 of this Act shall be available for transfer to such agencies  
2 of the Federal or State governments as the Secretary may  
3 request to cooperate or assist in carrying out this Act; and  
4 for technical assistance in formulating and carrying out the  
5 programs authorized by this Act. The Secretary may make  
6 such payments in advance of determination of performance.

7 FINALITY OF DETERMINATIONS

8 SEC. 222. The facts constituting the basis for any pay-  
9 ment or compensation, or the amount thereof, authorized to  
10 be made under this Act, when officially determined in con-  
11 formity with applicable regulations prescribed by the Secre-  
12 tary, shall be final and conclusive and shall not be review-  
13 able by any other officer or agency of the Government. In  
14 case any producer who is entitled to any payment or com-  
15 pensation dies, becomes incompetent, or disappears before  
16 receiving such payment or compensation, or is succeeded by  
17 another who renders or completes the required performance,  
18 the payment or compensation shall, without regard to any  
19 other provisions of law, be made as the Secretary may de-  
20 termine to be fair and reasonable in all the circumstances  
21 and so provide by regulations.

22 PENALTY FOR UNFAIR TREATMENT OF TENANTS OR  
23 SHARECROPPERS

24 SEC. 223. In any case in which the Secretary deter-  
25 mines (1) that a producer has displaced any tenant or



1 sharecropper, or reduced the acreage of any commodity  
2 farmed by any tenant or sharecropper, on any farm owned  
3 or controlled by such producer, (2) that such displacement  
4 or reduction was made in contemplation of, or on account  
5 of, participation by such producer in either the acreage  
6 reserve program or the conservation reserve program, and  
7 (3) that such displacement or reduction was without the  
8 consent of the tenant or sharecropper, the Secretary is author-  
9 ized to deny such producer all or any part of the benefits  
10 provided under this Act.

#### 11 REGULATIONS

12 SEC. 224. The Secretary shall prescribe such regulations  
13 as he determines necessary to carry out the provisions of  
14 this Act.

### 15 TITLE III—SURPLUS DISPOSAL

#### 16 CORN SET-ASIDE

17 SEC. 301. Notwithstanding the provisions of section 102  
18 of the Agricultural Act of 1954, two hundred and fifty  
19 million bushels of corn may be added to the commodity  
20 set-aside created pursuant to section 101 of that Act.

#### 21 PROGRAM OF ORDERLY LIQUIDATION

22 SEC. 302. (a) The Commodity Credit Corporation  
23 shall, as rapidly as possible consistent with its existing au-  
24 thority, the operation of the price support program, and

1 orderly liquidation, dispose of all stocks of agricultural com-  
 2 modities held by it.

3 (b) The Secretary shall submit a detailed program for  
 4 the disposition of surplus commodities as required by subsec-  
 5 tion (a) to Congress within sixty days after the enactment  
 6 of this Act and shall report annually thereafter on his opera-  
 7 tions under subsection (a). Such programs and annual  
 8 reports shall show—

9 (1) the quantities of surplus commodities on hand;

10 (2) the methods of disposition utilized and the  
 11 quantities disposed of during the preceding twelve  
 12 months;

13 (3) the methods of disposition to be utilized and  
 14 the estimated quantities that can be disposed of during  
 15 the succeeding twelve months;

16 (4) a detailed program for the expansion of mar-  
 17 kets for surplus agricultural commodities through  
 18 marketing and utilization research and improvement of  
 19 marketing facilities; and

20 (5) recommendations for additional legislation  
 21 necessary to accomplish the purposes of this section.

22 REESTABLISHMENT OF HISTORIC SHARE OF WORLD COTTON

23 MARKET

24 SEC. 303. In furtherance of the current policy of the  
 25 Commodity Credit Corporation of offering surplus agri-



1 cultural commodities for sale for export at competitive  
2 prices, the Commodity Credit Corporation is directed  
3 to use its existing powers and authorities immediately  
4 upon the enactment of this Act to encourage sales for  
5 export of such quantities of cotton as will reestablish and  
6 maintain the fair historical share of the world market for  
7 United States cotton, said volume to be determined by the  
8 Secretary of Agriculture. Cotton made available by the  
9 Commodity Credit Corporation under section 102 of the  
10 Agricultural Trade Development and Assistance Act of  
11 1954, as amended, shall be sold at competitive world prices.

12 EXTRA-LONG STAPLE COTTON

13 SEC. 304. The Secretary of Agriculture is authorized  
14 and directed to provide sufficient incentive to domestic  
15 users of extra-long staple cotton so as to assure domestic  
16 utilization of a minimum of thirty thousand bales of such  
17 cotton annually. Sufficient funds are hereby authorized to  
18 be appropriated to carry out the provisions of this section.

19 APPROPRIATION TO SUPPLEMENT SECTION 32 FUNDS

20 SEC. 305. There is hereby authorized to be appropriated  
21 for each fiscal year, beginning with the fiscal year ending  
22 June 30, 1957, the sum of \$250,000,000 to enable the Sec-  
23 retary of Agriculture to further carry out the provisions of  
24 section 32, Public Law 320, Seventy-fourth Congress, as  
25 amended (7 U. S. C. 612c), subject to all provisions of law

1 relating to the expenditure of funds appropriated by such  
2 section, except that the 25 per centum limitation on the ex-  
3 penditure of funds with respect to any one agricultural com-  
4 modity or product thereof shall not apply to the funds herein  
5 authorized.

6     TRANSFER OF BARTERED MATERIALS TO SUPPLEMENTAL  
7                                                             STOCKPILE

8         SEC. 306. (a) Strategic and other materials acquired by  
9 the Commodity Credit Corporation as a result of barter or ex-  
10 change of agricultural commodities or products, unless acquired  
11 for the national stockpile established pursuant to the Strategic  
12 and Critical Materials Stockpile Act (50 U. S. C. 98-98h),  
13 or for other purposes shall be transferred to the supplemental  
14 stockpile established by section 104 (b) of the Agricultural  
15 Trade Development and Assistance Act of 1954 (7 U. S. C.  
16 1704).

17         (b) Strategic materials acquired by the Commodity  
18 Credit Corporation as a result of barter or exchange of  
19 agricultural commodities or products may be entered, or  
20 withdrawn from warehouse, free of duty.

21         (c) In order to reimburse the Commodity Credit Cor-  
22 poration for materials transferred to the supplemental stock-  
23 pile there are hereby authorized to be appropriated amounts  
24 equal to the value of any materials so transferred. The value  
25 of any such material for the purpose of this subsection, shall



1 be the lower of the domestic market price or the Commodity  
2 Credit Corporation's investment therein as of the date of  
3 such transfer, as determined by the Secretary of Agriculture.

4 CARGO PREFERENCE ON SALES FOR FOREIGN CURRENCY

5 SEC. 307. The Act of March 26, 1934 (48 Stat. 500),  
6 as amended by the Act of June 29, 1936 (49 Stat. 1987),  
7 and the Act of August 26, 1954 (68 Stat. 832), shall not  
8 apply to transactions under title I of the Agricultural Trade  
9 Development and Assistance Act of 1954, as amended.

10 SURPLUS DISPOSAL ADMINISTRATOR

11 SEC. 308. The Secretary of Agriculture is authorized  
12 to appoint an agricultural surplus disposal administrator,  
13 at a salary rate of not exceeding \$15,000 per annum, whose  
14 duties shall include responsibility for activities of the De-  
15 partment, including those of Commodity Credit Corporation,  
16 relating to the disposal of surplus agricultural commodities.

17 STATE CONTRIBUTION TO COST OF COMMODITIES FURNISHED

18 TO DISASTER AREAS

19 SEC. 309. Notwithstanding any other provision of law,  
20 no feed for livestock or seed for planting shall be furnished,  
21 after March 1, 1957, to farmers, ranchers, or stockmen pur-  
22 suant to the Act entitled "An Act to authorize Federal assist-  
23 ance to States and local governments in major disasters, and  
24 for other purposes", approved September 30, 1950 (64

1 Stat. 1109; 42 U. S. C. 1855 and the following) ; section 2  
 2 of the Act entitled "An Act to abolish the Regional Agri-  
 3 cultural Credit Corporation of Washington, District of Colum-  
 4 bia, and transfer its functions to the Secretary of Agriculture,  
 5 to authorize the Secretary of Agriculture to make disaster  
 6 loans, and for other purposes", approved April 6, 1949, as  
 7 amended (12 U. S. C. 1148) ; the provision under the head-  
 8 ing "Disaster Loan Revolving Fund", Third Supplemental  
 9 Appropriation Act, 1954 (68 Stat. 88) ; the Agricultural  
 10 Trade Development and Assistance Act of 1954 (68 Stat.  
 11 454; 7 U. S. C. 1691 and the following), or pursuant to  
 12 any other law as a disaster relief measure, unless, in addition  
 13 to such administrative costs as may be assumed by the State,  
 14 the State in which such feed or seed is furnished agrees to  
 15 contribute an amount not less than 15 per centum of the  
 16 cost, including transportation, of such feed or seed which is  
 17 not paid for by the recipients thereof.

## 18 TITLE IV—MARKETING QUOTAS AND ACREAGE 19 ALLOTMENTS

### 20 EXTENSION OF SURRENDER AND REAPPORTIONMENT

#### 21 PROVISIONS FOR WHEAT ACREAGE ALLOTMENTS

22 SEC. 401. Section 334 (f) of the Agricultural Ad-  
 23 justment Act of 1938, as amended, is amended by striking  
 24 out "1955" wherever it appears in such subsection and  
 25 inserting in lieu thereof "1955, 1956, or 1957."



## COMMERCIAL WHEAT PRODUCING AREA

SEC. 402. Section 335 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1335 (e)), is amended effective beginning with the 1957 crop by changing the first sentence thereof to read as follows: "The Secretary shall designate any State as outside the commercial wheat-producing area for any marketing year if the acreage allotment of wheat for such State for the immediately preceding marketing year was two hundred and forty thousand acres or less."

## COTTON—SMALL FARM ALLOTMENTS

SEC. 403. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That there is hereby established a national acreage reserve consisting of an amount, which shall be deducted from the national acreage allotment, equal to 1 per centum of such national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves, and the additional acreage so apportioned to the State shall be apportioned to the counties on the same basis and added to the county acreage allotment for appor-

1 tionment to farms pursuant to subsection (f) of this section  
2 (except that no part of such additional acreage shall be  
3 used to increase the county reserve above 15 per centum  
4 of the county allotment determined without regard to such  
5 additional acreage). Needs for additional acreage under  
6 the foregoing proviso and under the last proviso in subsec-  
7 tion (e) shall be determined as though allotments were  
8 first computed without regard to subsection (f) (1)."

9 (b) Section 344 (e) of the Agricultural Adjustment  
10 Act of 1938, as amended, is amended by inserting before  
11 the period at the end thereof a colon and the following:  
12 "*Provided further*, That if the additional acreage allocated  
13 to a State under the proviso in subsection (b) is less than  
14 the requirements as determined by the Secretary for estab-  
15 lishing minimum farm allotments for the State under sub-  
16 section (f) (1), the acreage reserved by the State com-  
17 mittee under this subsection shall be not less than the smaller  
18 of (1) the remaining acreage so determined to be required  
19 for establishing minimum farm allotments or (2) 3 per  
20 centum of the State acreage allotment; and the acreage  
21 which the State committee is required to reserve under this  
22 proviso shall be allocated to counties on the basis of their  
23 needs for additional acreage for establishing minimum farm  
24 allotments under subsection (f) (1), and added to the  
25 county acreage allotment for apportionment to farms pur-



1 suant to subsection (f) of this section (except that no part  
2 of such additional acreage shall be used to increase the county  
3 reserve above 15 per centum of the county allotment de-  
4 termined without regard to such additional acreages).”

5 (c) Section 344 (f) of the Agricultural Adjustment Act  
6 of 1938, as amended, is amended by changing paragraph  
7 (1) to read as follows:

8 “(1) Insofar as such acreage is available, there shall  
9 be allotted the smaller of the following: (A) four acres;  
10 or (B) the highest number of acres planted to cotton in  
11 any year of such three-year period.”

12 (d) The first sentence of section 344 (f) (6) of such  
13 Act is amended to read as follows: “Notwithstanding the  
14 provisions of paragraph (2) of this subsection, if the county  
15 committee recommends such action and the Secretary deter-  
16 mines that such action will result in a more equitable dis-  
17 tribution of the county allotment among farms in the county,  
18 the remainder of the county acreage allotment (after making  
19 allotments as provided in paragraph (1) of this subsection)  
20 shall be allotted to farms other than farms to which an  
21 allotment has been made under paragraph (1) (B) of this  
22 subsection so that the allotment to each farm under this  
23 paragraph together with the amount of the allotment of  
24 such farm under paragraph (1) (A) of this subsection  
25 shall be a prescribed percentage (which percentage shall

1 be the same for all such farms in the county) of the average  
 2 acreage planted to cotton on the farm during the  
 3 three years immediately preceding the year for which such  
 4 allotment is determined, adjusted as may be necessary for  
 5 abnormal conditions affecting plantings during such three-  
 6 year period: *Provided*, That the county committee may in  
 7 its discretion limit any farm acreage allotment established  
 8 under the provisions of this paragraph for any year to an  
 9 acreage not in excess of 50 per centum of the cropland on  
 10 the farm, as determined pursuant to the provisions of para-  
 11 graph (2) of this subsection: *Provided further*, That any  
 12 part of the county acreage allotment not apportioned under  
 13 this paragraph by reason of the initial application of such  
 14 50 per centum limitation shall be added to the county acre-  
 15 age reserve under paragraph (3) of this subsection and shall  
 16 be available for the purposes specified therein.”

17 (e) The amendments made by this section shall be  
 18 effective with respect to 1957 and succeeding crops.

19 MINIMUM STATE ACREAGE ALLOTMENTS FOR 1956 RICE  
 20 CROP

21 SEC. 404. Section 353 of the Agricultural Adjustment  
 22 Act of 1938, as amended, is amended by adding to sub-  
 23 section (c) a new paragraph (5) to read as follows:

24 “(5) Each of the State acreage allotments for 1956



1 heretofore proclaimed by the Secretary, after adding thereto  
2 any acreage apportioned to farms in the State from the  
3 reserve acreage set aside pursuant to subsection (a) of this  
4 section, shall be increased by such amount as may be neces-  
5 sary to provide such State with an allotment of not less  
6 than 85 per centum of its final allotment established for  
7 1955. Any additional acreage required to provide such  
8 minimum allotment shall be additional to the national acre-  
9 age allotment. In any State having county acreage allot-  
10 ments for 1956, the increase in the State allotment shall be  
11 apportioned among counties in the State on the same basis  
12 as the State allotment was heretofore apportioned among  
13 the counties, but without regard to adjustments for trends  
14 in acreage.”

15 PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

16 SEC. 405. The Agricultural Adjustment Act of 1938,  
17 as amended, is amended by inserting after section 376 a new  
18 section as follows:

19 “PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

20 “SEC. 377. In any case in which, during any year after  
21 1955 for which acreage allotments are in effect for any  
22 commodity under this Act, the acreage planted to such  
23 commodity on any farm is less than the acreage allotment  
24 for such farm, the entire acreage allotment for such farm

1 shall be considered for purposes of future farm acreage allot-  
2 ments to have been planted to such commodity in such  
3 year, but only if the owner or operator of such farm notifies  
4 the county committee prior to the sixtieth day preceding  
5 the beginning of the marketing year for such commodity  
6 of his desire to preserve such allotment. This section shall  
7 not be applicable to any farm on which no acreage of the  
8 commodity was planted for four successive years or in any  
9 case in which the amount of the commodity required to be  
10 stored to postpone or avoid payment of penalty has been  
11 reduced because the allotment was not fully planted. Noth-  
12 ing herein shall be construed to permit the allotment to  
13 any other farm of the acreage with respect to which notice  
14 is given under this section.”

## 15 TITLE V—RICE

16 SEC. 501. Title III of the Agricultural Adjustment Act  
17 of 1938, as amended, is amended (1) by changing the des-  
18 ignation thereof to read as follows: “TITLE III—PARITY  
19 PAYMENTS, CONSUMER SAFEGUARDS, MARKET-  
20 ING QUOTAS, AND RICE CERTIFICATES”; (2) by  
21 changing the designation of subtitle D thereof to read as  
22 follows: “SUBTITLE E—MISCELLANEOUS PROVISIONS AND  
23 APPROPRIATIONS”; and (3) by inserting after subtitle C  
24 a new subtitle D, as follows:



1           “SUBTITLE D—RICE CERTIFICATES

2                   “LEGISLATIVE FINDINGS

3       “SEC. 380a. The movement of rice from producer to  
4 consumer is preponderantly in interstate and foreign com-  
5 merce, and the small quantity of rice which does not move  
6 in interstate or foreign commerce affects such commerce.  
7 In order to provide an adequate and balanced flow of rice in  
8 interstate and foreign commerce and to assure consumers  
9 an adequate and steady supply of rice at fair prices it is  
10 necessary to regulate all commerce in rice in the manner  
11 provided in this subtitle. These findings are supplemental  
12 to and in addition to the findings contained in section 351  
13 of this Act.

14                   “EFFECTIVE DATE AND TERMINATION

15       “SEC. 380b. The provisions of this subtitle, unless ex-  
16 tended by law, shall apply only to the crops of rice harvested  
17 in 1956 and 1957. Notwithstanding any other provision of  
18 law, the national acreage allotment of rice for 1957 shall  
19 be not less than the national acreage allotment for 1956,  
20 including any acreage allotted under section 353 (c) (5)  
21 of this Act, and such 1957 national allotment shall be appor-  
22 tioned among the States in the same proportion that they  
23 shared in the total acreage allotted in 1956.

## 1                   “RICE PRIMARY MARKET QUOTA

2           “SEC. 380c. Not later than December 31 of each year,  
3 the Secretary shall determine and proclaim the primary  
4 market quota for rice for the marketing year beginning in  
5 the next calendar year, except that for the marketing year  
6 beginning in 1956 such determination and proclamation shall  
7 be made not later than thirty days after the enactment of the  
8 Agricultural Act of 1956. The primary market quota shall  
9 be the number of hundredweights of rice (on a rough rice  
10 basis) which the Secretary determines will be consumed  
11 in the United States (including its Territories and pos-  
12 sessions and the commonwealth of Puerto Rico) or ex-  
13 ported to Cuba, during such marketing year. In making  
14 this determination the Secretary shall consider the historical  
15 consumption in these markets of rice produced in the United  
16 States and any expected enlargement in such consumption  
17 predicated upon population trends, increased per capita con-  
18 sumption, and other relevant factors.

## 19           “APPORTIONMENT OF PRIMARY MARKET QUOTA

20           “SEC. 380d. (a) The primary market quota for rice  
21 shall be apportioned by the Secretary among the several  
22 States on the basis of the average yield per acre of rice in  
23 each State during the three years immediately preceding the  
24 year for which the quota is proclaimed (or in the case of the  
25 apportionment for 1957, during the two years preceding such



1 year) multiplied by the acreage allotment of such State for  
2 such year. Notwithstanding the foregoing provisions of  
3 this subsection, the primary market quota for rice shall be  
4 apportioned by the Secretary among the several States for  
5 the marketing year beginning in 1956 on the basis of the 1955  
6 production of rice in each State.

7 “(b) The State primary market quota shall be appor-  
8 tioned by the Secretary among farms on the basis of the acre-  
9 age allotment established for each farm multiplied by the  
10 normal yield per acre for the farm.

11 “REVIEW OF PRIMARY MARKET QUOTA

12 “SEC. 380e. Notice of the primary market quota shall  
13 be mailed to the operator of the farm to which such quota  
14 applies. The farm operator may have such quota reviewed  
15 in accordance with the provisions of sections 363 to 368,  
16 inclusive, of this Act.

17 “PRICE SUPPORT

18 “SEC. 380f. (a) Notwithstanding any other provision  
19 of law, the Commodity Credit Corporation shall make price  
20 support available to cooperators through loans, purchases, or  
21 other operations on the 1956 crop of rice at 55 per centum  
22 of the parity price of rice as of the beginning of the market-  
23 ing year and on the 1957 and subsequent crops of rice at  
24 such level, not less than 50 per centum or more than 90 per  
25 centum of the parity price therefor, as the Secretary deter-

1 mines will not discourage or prevent the exportation of rice  
2 produced in the United States.

3 “(b) Section 101 of the Agricultural Act of 1949, as  
4 amended, shall not apply to price support made available on  
5 rice of the 1956 and 1957 crops, but all the other provisions  
6 of such Act, to the extent not inconsistent with this subtitle,  
7 shall apply to price support operations carried out under this  
8 section.

9 “CERTIFICATES

10 “SEC. 380g. (a) The Secretary of Agriculture shall  
11 for each marketing year issue certificates to cooperators for  
12 a quantity of rice equal to the primary marketing quota for  
13 the farm for such marketing year, but not exceeding the  
14 normal yield of the acreage planted to rice on the farm. The  
15 certificate shall have the value specified in subsection (e)  
16 of this section.

17 “(b) The landlord, tenants, and sharecroppers on the  
18 farm shall share in the certificates issued with respect to the  
19 farm in the same proportion as they share in the rice pro-  
20 duced on the farm or the proceeds therefrom.

21 “(c) The provisions of section 385 of this Act shall  
22 be applicable to certificates issued to producers under this  
23 section.

24 “(d) The Commodity Credit Corporation shall issue  
25 and sell certificates to persons engaged in the processing of



1 rough rice or the importing of processed rice. Each such  
2 certificate shall be sold for an amount equal to the value  
3 thereof, as specified in subsection (e) of this section.

4 “(e) The value of each certificate issued under this  
5 section shall be equal to the difference between 90 per  
6 centum of the parity price of rice as of the beginning of  
7 the marketing year for which the certificate is issued and  
8 the level of price support for rice which is in effect during  
9 such marketing year, calculated to the nearest cent, mul-  
10 tiplied by the quantity of rice for which the certificate is  
11 issued. Any certificates not used to cover the processing  
12 of rice or the importation of processed rice pursuant to  
13 sections 380k and 380l of this Act shall be redeemed by  
14 the Commodity Credit Corporation at the value thereof.

15 “INVENTORY ADJUSTMENT PAYMENTS

16 “SEC. 380h. To facilitate the transition from the price  
17 support program currently in effect to the program provided  
18 for in this subtitle, the Commodity Credit Corporation shall  
19 make inventory adjustment payments to all persons owning  
20 rough rice located in the continental United States as of  
21 July 31, 1956, in amounts equal to 35 per centum of the  
22 parity price of rice as of August 1, 1956, multiplied by the  
23 quantities of such rough rice: *Provided, however,* That such  
24 payments shall not be made with respect to rice of the 1956  
25 crop, imported rice, or rice acquired from Commodity Credit

1 Corporation. There are hereby authorized to be appro-  
2 priated such sums as may be necessary to make payment  
3 to Commodity Credit Corporation for expenditures pursuant  
4 to this section.

5 "RICE SET-ASIDE

6 "SEC. 380i. All rough and processed rice in the in-  
7 ventories of Commodity Credit Corporation as of sixty days  
8 after the beginning of the 1956 marketing year, not exceed-  
9 ing twenty million hundredweight of rough rice or its equiv-  
10 alent in processed rice may be transferred to and be made  
11 a part of the commodity set-aside of rice established pursuant  
12 to section 101 of the Agricultural Act of 1954.

13 "EXEMPTIONS

14 "SEC. 380j. The provisions of this subtitle shall not  
15 apply to nonirrigated rice produced on any farm on which  
16 the acreage planted to nonirrigated rice does not exceed  
17 three acres or to rice produced in Puerto Rico, or Hawaii.

18 "PROCESSING RESTRICTIONS

19 "SEC. 380k. (a) Each person who on or after August  
20 1, 1956, engages in the processing of rough rice in the  
21 United States shall, upon processing any quantity of rough  
22 rice, acquire certificates issued under section 380g of this  
23 Act in an amount sufficient to cover such quantity of rough  
24 rice.

25 "(b) The requirements of subsection (a) of this section



1 shall not be applicable to the processing in Puerto Rico or  
2 Hawaii of rough rice grown in Puerto Rico or Hawaii,  
3 respectively.

4 “(c) Upon the exportation from the United States to  
5 any country other than Cuba of any processed rice with re-  
6 spect to which certificates were acquired in accordance with the  
7 requirements of subsection (a) of this section or section  
8 380l, the Commodity Credit Corporation shall pay to the  
9 exporter an amount equal to the value of the certificates  
10 for the rough rice equivalent of such processed rice.

11 “IMPORT RESTRICTIONS

12 “SEC. 380l. Each person who, on or after August 1,  
13 1956, imports processed rice into the United States shall  
14 acquire certificates issued under section 380g of this Act  
15 covering the rough rice equivalent of such processed rice.

16 “REGULATIONS

17 “SEC. 380m. The Secretary shall prescribe regulations  
18 governing the issuance, redemption, acquisition, use, transfer,  
19 and disposition of certificates hereunder.

20 “CIVIL PENALTIES

21 “SEC. 380n. Any person who violates or attempts to  
22 violate, or who participates or aids in the violation of, any  
23 of the provisions of sections 380k or 380l of this Act, or  
24 regulations prescribed by the Secretary for the enforcement  
25 of such provisions, shall forfeit to the United States a sum

1 equal to three times the market value, at the time of the  
2 commission of such act, of the product involved in such  
3 violation. Such forfeiture shall be recoverable in a civil suit  
4 brought in the name of the United States.

5 "REPORTS AND RECORDS

6 "SEC. 380o. (a) The provisions of section 373 of this  
7 Act shall apply to all persons, except rice producers, who  
8 are subject to the provisions of this subtitle, except that any  
9 such person failing to make any report or keep any record  
10 as required by this section or making any false report or  
11 record shall be deemed guilty of a misdemeanor and upon  
12 conviction thereof shall be subject to a fine of not more than  
13 \$2,000 for each such violation.

14 "(b) The provisions of section 373 (b) of the Act shall  
15 apply to all rice farmers who are subject to the provisions  
16 of this subtitle.

17 "DEFINITIONS

18 "SEC. 380p. For the purposes of this subtitle—

19 "(a) 'cooperator' shall have the same meaning as  
20 under the Agricultural Act of 1949, as amended.

21 "(b) 'processing of rough rice' means subjecting  
22 rough rice for the first time to any process which re-  
23 moves the husk or hull from the rice and results in the  
24 production of processed rice.



1           “(c) ‘processed rice’ means any rice from which  
2       the husk or hull has been removed and includes, but is  
3       not limited to—

4           “(1) whole grain rice,

5           “(2) second head milled rice,

6           “(3) screenings milled rice,

7           “(4) brewers milled rice,

8           “(5) undermilled rice or unpolished rice,

9           “(6) brown rice,

10          “(7) converted rice, malekized rice or par-  
11       boiled rice, and

12          “(8) vitaminized rice or enriched rice.

13          “(d) ‘United States’ means the several States, the  
14       Territories of Hawaii and Alaska, the District of Colum-  
15       bia, and the Commonwealth of Puerto Rico.

16          “(e) ‘exporter’ means the consignor named in the  
17       bill of lading under which the processed rice is exported:  
18       *Provided, however,* That any other person may be con-  
19       sidered to be the exporter if the consignor named in  
20       the bill of lading waives his claim in favor of such other  
21       person.

22          “(f) ‘rough rice equivalent’ means the quantity of  
23       rough rice normally used (as determined by the Secre-  
24       tary of Agriculture) in the production of a particular

1        quantity of processed rice, but shall not be more than  
2        one hundred pounds of rough rice for each sixty-eight  
3        pounds of processed rice.

4            “(g) ‘import’ means to enter, or withdraw from  
5        warehouse, for consumption.”

6            TITLE VI—FORESTRY PROVISIONS

7            ASSISTANCE TO STATES FOR TREE PLANTING AND

8            REFORESTATION

9        SEC. 601. (a) The Congress hereby finds and declares  
10       that building up and maintaining a level of timber growing  
11       stocks adequate to meet the Nation’s domestic needs for a  
12       dependable future supply of industrial wood is essential to  
13       the public welfare and security; that utilizing the more than  
14       fifty million acres of idle non-Federal and Federal lands for  
15       this purpose would not only add to the economic strength  
16       of the Nation, but also bring increased public benefits from  
17       other values associated with forest cover; and that it is  
18       the policy of the Congress that the Secretary of Agriculture  
19       in order to encourage, promote, and assure fully adequate  
20       future resources of readily available timber should assist the  
21       States in undertaking needed programs of tree planting.

22       (b) Any State forester or equivalent State official  
23       may submit to the Secretary of Agriculture a plan for forest  
24       land tree planting and reforestation for the purpose of  
25       effecting the policy hereinbefore stated.



1       (c) When the Secretary of Agriculture has approved  
2 the plan, he is hereby authorized and directed to assist the  
3 State in carrying out such plan, which assistance may in-  
4 clude giving of advice and technical assistance and fur-  
5 nishing financial contributions: *Provided*, That, for the  
6 non-Federal forest land tree planting and reforestation, the  
7 financial contribution expended by the Federal Govern-  
8 ment during any fiscal year to assist the State to carry out  
9 the plan shall not exceed the amount expended by the State  
10 for the same purposes during the same fiscal year, and  
11 the Secretary of Agriculture is authorized to make financial  
12 contributions on the certificate of the State official in charge  
13 of the administration of the plan as to the amount of expend-  
14 itures made by the State.

15       (d) In any plan that coordinates forest lands under the  
16 jurisdiction of any Federal agency other than the Department  
17 of Agriculture, the Secretary of Agriculture shall obtain  
18 the cooperation and assistance of the Federal agency having  
19 jurisdiction and the appropriate State forester in the ap-  
20 proval and carrying out of the plan.

21       (e) The Secretary of Agriculture may prescribe such  
22 rules and regulations as may be appropriate to carry out  
23 the purposes of this section.

24       (f) There are hereby authorized to be appropriated such

1 sums as may be necessary to carry out the objects of this  
2 section, such sums to remain available until expended.

3 FOREST PRODUCTS; PRICE REPORTING; RESEARCH

4 SEC. 602. (a) For the purpose of improving the man-  
5 agement and use of forest resources and in order to provide  
6 farmers and other owners of small forest properties with  
7 current information on markets and prices and to aid them  
8 in more efficiently and profitably marketing forest products,  
9 the Secretary of Agriculture is hereby authorized and  
10 directed to establish a price reporting service for basic forest  
11 products, including but not limited to standing timber and  
12 cut forest products such as sawlogs and pulpwood.

13 (b) The price reports made by the Secretary under  
14 subsection (a) shall be as to such species, grades sizes,  
15 and other detail, and shall be made at such intervals, but at  
16 least quarterly, as he deems appropriate. Such reports shall  
17 be by State or forest regions or by such other areas as the  
18 Secretary considers advisable, and may, in his discretion,  
19 be made as to one or more areas in advance of other areas.

20 (c) In connection with the gathering of price informa-  
21 tion and the dissemination thereof, the Secretary is authorized  
22 to cooperate with the State foresters or other appropriate  
23 State officials or agencies, as well as with private agencies,  
24 and under such conditions and terms as he may deem appro-  
25 priate.



1       (d) The Secretary of Agriculture shall make a study of  
2 price trends and relationships for basic forest products such  
3 as sawlogs and pulpwood and within two years from the date  
4 of enactment of this Act shall submit a report thereon to the  
5 Congress.

6       (e) In the conduct of research activities under the Act  
7 of May 22, 1928 (45 Stat. 699), and the Act of August 14,  
8 1946, title II (60 Stat. 1087), the Secretary of Agriculture  
9 is directed to conduct and stimulate research and investiga-  
10 tions aimed at developing and demonstrating standards of  
11 quality, collecting and disseminating useful market informa-  
12 tion and developing methods for increasing the efficiency of  
13 the marketing and distribution processes for forest products as  
14 a means of increasing returns to farmers and other owners of  
15 forest properties.

16       (f) The Secretary of Agriculture is authorized to issue  
17 such regulations as he deems appropriate in carrying out the  
18 provisions of this section.

19       (g) There are hereby authorized to be appropriated for  
20 the purposes of this section such sums as may be necessary.

84TH CONGRESS  
2D SESSION

S. 3183

# A BILL

To provide an improved farm program.

By Mr. ELLENDER

FEBRUARY 10, 1956

Read twice and placed on the calendar



84TH CONGRESS  
2D SESSION

Calendar No. 1504

# H. R. 12

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IN THE SENATE OF THE UNITED STATES

MAY 9 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on Agriculture and Forestry

FEBRUARY 10, 1956

Reported by Mr. ELLENDER, without recommendation

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## AN ACT

To amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk; and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That paragraph (6) of subsection (d) of section 101 of  
4       the Agricultural Act of 1949, as amended, is amended to  
5       read as follows: "the level of support to cooperators shall be  
6       90 per centum of the parity price for the 1955, 1956, and  
7       1957 crops of any basic agricultural commodity with respect  
8       to which producers have not disapproved marketing quotas."

9       SEC. 2. The first sentence of subsection (c) of section

1 201 of the Agricultural Act of 1949, as amended, is amended  
2 to read as follows: "The price of whole milk, butterfat, and  
3 the products of such commodities, respectively, shall be sup-  
4 ported at not less than 80 per centum nor more than 90 per  
5 centum of the parity price therefor."

6 SEC. 3. The last sentence of section 201 (c) of the Agri-  
7 cultural Act of 1949, as amended, is amended to read as  
8 follows: "For the period September 1, 1954, to June 30,  
9 1955, not to exceed \$50,000,000, and for the period July 1,  
10 1955, to June 30, 1957, not to exceed \$75,000,000 annu-  
11 ally, of the funds of the Commodity Credit Corporation  
12 shall be used exclusively to increase the consumption of fluid  
13 milk by children in nonprofit schools of high-school grade  
14 and under."

15 SEC. 4. Section 204 (e) of the Agricultural Act of  
16 1954, is amended to read as follows:

17 "As a means of stabilizing the dairy industry and fur-  
18 ther suppressing and eradicating brucellosis in cattle, the  
19 Secretary of Agriculture is authorized to transfer not to  
20 exceed \$15,000,000 for each of the fiscal years ending on  
21 or before June 30, 1958, from funds available to the Com-  
22 modity Credit Corporation, to the funds appropriated to the  
23 Department of Agriculture for such fiscal years for the pur-  
24 pose of accelerating the brucellosis eradication program, for  
25 the purpose of increasing to not to exceed \$50 per head of



1 cattle the amount of the indemnities paid by the Federal  
2 Government for cattle destroyed because of brucellosis in  
3 connection with cooperative control and eradication programs  
4 for such disease in cattle entered into by the Secretary under  
5 the authority of the Act of May 29, 1884, as amended, for  
6 the purpose of increasing the number of such indemnities,  
7 and for the purpose of defraying any additional administra-  
8 tive expenses in connection therewith. There are hereby  
9 authorized to be appropriated annually such sums as may be  
10 necessary to reimburse the Commodity Credit Corporation  
11 for expenditures pursuant to this section."

Passed the House of Representatives May 5, 1955.

Attest:

RALPH R. ROBERTS,

*Clerk.*

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## AN ACT

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To amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk; and for other purposes.

---

MAY 9 (legislative day, MAY 2), 1955  
Read twice and referred to the Committee on  
Agriculture and Forestry

FEBRUARY 10, 1956

Reported without recommendation



## SUMMARY OF S. 3183

(Prepared by Office of the General Counsel  
U. S. Department of Agriculture)

### TITLE I - PRICE SUPPORT

#### Basic Commodities Except Wheat

Section 101 provides for price support for the basic commodities, except wheat, at 90% of parity for the 1956 and 1957 crops. The provisions of this section will not, however, apply to rice in view of the special provisions for rice contained in Title V of the Bill.

#### Wheat

Section 102 provides that the support price for "milling quality" wheat (i.e., wheat produced from seed of a variety which normally produces wheat of a quality desired for milling purposes) of the 1956 and 1957 crops shall be 90% of parity and that the support price for any other wheat shall be established at such level as the Secretary determines will preserve the competitive relationship between such wheat and corn on the basis of their respective feed values, with the average support price for all wheat to be not less than 75 per centum of parity.

#### Cottonseed and Soybeans

Section 103 provides that whenever the price of either cottonseed or soybeans is supported, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms in the market.

#### Cotton

Section 104 repeals the special provision of law designating Middling 7/8-inch cotton as the standard grade for parity calculations and price support and would result in the average grade and quality being utilized for such purposes as in the case of other commodities.

#### Dairy Products

Section 105 provides for price support for whole milk, butterfat and the products of such commodities at not less than 80 per centum nor more than 90 per centum of parity, and provides for using a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive.

## Parity Formula

Section 106 would require the Secretary in the case of the basic commodities to use the old parity price computed on the 1910-1914 base period, or the modernized parity, whichever is higher.

## TITLE II - SOIL BANK ACT

Title II of the Bill provides for a soil bank program composed of two parts: (1) an acreage reserve program, and (2) a conservation reserve program.

### Acreage Reserve Program

Sections 203-206 authorize and direct the Secretary to compensate producers for voluntarily reducing their 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn, rice, flue-cured tobacco, burley tobacco, and cigar binder tobacco, types 51, 52, 54, and 55, below their acreage allotments. To be eligible for such compensation, the producer is required to reduce his acreage of the commodity below his farm acreage allotment within such limits as the Secretary may prescribe, to specifically designate such acreage, and not to harvest any crop from or graze the reserve acreage unless the Secretary, after certification by the Governor of the State, determines that it is necessary to permit grazing to alleviate hardship caused by severe drought, flood, or other natural disaster.

The Secretary is directed to establish a national reserve acreage goal for each of the crops and to establish the limits within which individual farms may participate in a manner which is reasonably calculated to achieve the national reserve goal, and give producers a fair and equitable opportunity to participate.

Compensation of producers for participating in the acreage reserve program would be made through the issuance of certificates redeemable in cash by Commodity Credit Corporation or in the commodity, at the option of the producer, in the case of certificates issued with respect to grains and cotton. If the certificate is redeemed in the commodity, it is redeemable at not more than 110% of the cash value of the certificate, and the grain or cotton delivered in redemption of the certificate is to be valued at 105 per centum of the current support price plus reasonable carrying charges or the market price, whichever is higher. If, as of the beginning of any marketing year, the total supply does not exceed the normal supply of the commodity, certificates thereafter issued or certificates then outstanding would no longer be redeemable in the commodity. Certificates redeemed in cash may be redeemed by the producer



or by any holder in due course, but certificates redeemed in the commodity may be redeemed only by the producer. Certificates for corn or wheat may be redeemed in any feed grain including wheat for feed on such basis as may be mutually agreed upon between the producer and CCC.

The amount of the compensation to producers for reducing their crops below their acreage allotments would be established by the Secretary at such rates as would provide producers with a fair and reasonable return for the acreage withdrawn from production and with a sufficient incentive to achieve the reserve acreage goal.

The compensation paid any producer for participation in the acreage reserve program with respect to any crop of tobacco is limited to \$100 per acre.

The total compensation which may be paid producers for participating in the acreage reserve program with respect to any year's crops is limited to \$750 million dollars.

The Secretary is directed to provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis the certificates issued for participating in the program, and including such provision as may be necessary to prevent them from being forced off the farm.

Participation in the acreage reserve program by a producer would not reduce his future acreage allotments and quotas.

#### Conservation Reserve Program

Sections 207-214 provide for a conservation reserve program. In carrying out the Conservation Reserve Program, the Secretary would be authorized to enter into long-term contracts under which producers would agree to devote to conserving uses a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage). The contract would be for a minimum period of three years and a maximum period of ten years, except that contracts for tree cover could extend for fifteen years.

A national conservation reserve goal would be proclaimed each year not later than February 1. Such goal would represent that percentage which the Secretary determines would be practicable to cover by contracts during such year of the number of acres by which (1) the acreage needed for the production of agricultural commodities during the preceding year, plus any acreage then in the acreage or conservation reserve program or retired from production because of acreage allotment or

marketing quota programs, exceeds (2) the acreage needed during the year for which the determination was made for the production of commodities for domestic and export use and for adequate carry-over allowances. The 1956 national goal would be determined as soon as practicable after the enactment of the Bill.

In distributing the national goal among States and major crop production regions, due regard is to be given to the need for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate; diversion of acreage under acreage allotment and marketing quota programs; and the need to assume adequate production of agricultural commodities and crops not in surplus and to discourage the production of those in surplus.

The producer would agree not to harvest any crop from such designated acreage and not to pasture it prior to January 1, 1959, or such later date as may be provided in the contract, except upon a finding by the Secretary, after certification of the Governor of the State, of a need for grazing to alleviate hardship caused by flood, drought, or other natural disaster. The Secretary would be authorized to pay a fair share of the cost of establishing and maintaining the conservation use and in addition to make an annual payment to the producer during the period of the contract which will provide a fair and reasonable annual return for the land diverted to conservation uses and the necessary incentive to obtain sufficient acreage to achieve the purposes of the program. The Secretary would be authorized to utilize the funds of Commodity Credit Corporation to finance the program.

The Secretary could not enter into contracts calling for payments to producers (including the cost of materials and services furnished to producers) in excess of \$350,000,000 in any calendar year.

Participation by a producer in the conservation reserve program would not reduce his future acreage allotments and quotas.

The Secretary is directed to take adequate safeguards to protect the interests of tenants and sharecroppers, including such provision as may be necessary to prevent them from being forced off the farm.



### General Provisions Applicable to Both Programs

As a condition of eligibility for payment under either the acreage reserve or conservation program the producer must comply with all farm acreage allotments established under the Agricultural Adjustment Act of 1938, except that in the case of wheat the wheat acreage must not exceed the larger of the farm wheat acreage allotment or fifteen acres.

The Secretary would be required to consult with soil conservation districts, State foresters, land grant colleges and other appropriate State agencies in formulating at the State and county levels the conservation aspects of the programs. He would be required also to utilize, so far as practicable, the technical resources of the Soil Conservation Service, the Forest Service, land-grant colleges, State foresters, and other appropriate technical services.

The Secretary would be directed to utilize as fully as practicable land use capability data in carrying out the acreage reserve and conservation reserve programs; and to carry forward to completion as rapidly as possible the basic land inventory of the Nation.

The Secretary would be authorized to deny any producer all or any part of the benefits under the Soil Bank programs if the Secretary determines that (1) the producer had displaced any tenant or sharecropper, or reduced the acreage of any commodity farmed by any tenant or sharecropper, on any farm owned or controlled by such producer, (2) such displacement or reduction was made in contemplation of, or on account of participation by such producer in either the acreage reserve or conservation reserve program, and (3) such displacement or consent was not consented to by the tenant or sharecropper.

### TITLE III - SURPLUS DISPOSAL

#### Authority to Add Corn to Set-Aside

Section 301 of the Bill gives the Secretary discretionary authority to add not to exceed 250 million bushels of corn to the set-aside established pursuant to section 101 of the Agricultural Act of 1954.

#### Program of Orderly Liquidation

Section 302 requires the Secretary to submit to Congress within 60 days after the enactment of the Act a detailed program for the disposition of all stocks of agricultural commodities held by CCC and to report annually thereafter on operations undertaken to dispose of such stocks.

#### Reestablishment of Historic Share of World Cotton Market

Section 303 directs Commodity Credit Corporation to use its existing powers and authorities to reestablish and maintain the fair historical share of the world market for U. S. cotton. The section also provides that cotton made available by CCC under Section 102 of the Agricultural Trade Development and Assistance Act of 1954 shall be sold at competitive world prices.

#### Extra Long Staple Cotton

Section 304 directs the Secretary of Agriculture to provide sufficient incentive to domestic users of extra long staple cotton so as to assure domestic utilization of a minimum of 30,000 bales of such cotton annually and authorizes appropriations for such purpose.

#### Section 32 Funds Supplemented

Section 305 of the Bill authorizes an annual appropriation of 250 million dollars, free of the existing 25% limitation on the expenditure of funds with respect to any one commodity, to enable the Secretary of Agriculture to further carry out the provisions of Section 32.

#### Transfer of Barter Materials to Supplemental Stockpile

Section 306 provides for the transfer to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 of materials acquired by CCC under the barter program unless such materials were acquired for the national stockpile or were acquired for other purposes, and authorizes appropriations to reimburse CCC for the value of any material so transferred. This section also provides that strategic materials acquired by CCC as a result of barter may be imported free of duty as in the case of strategic materials imported for the national stockpile.



Sales for Foreign Currency Exempted from Cargo Preference

Section 307 removes sales for foreign currency under Title I of the Agricultural Trade Development and Assistance Act of 1954 from the fifty-fifty cargo preference statute.

Surplus Disposal Administrator

Section 308 authorizes the Secretary of Agriculture to appoint an Agricultural Surplus Disposal Administrator at a salary rate of not exceeding \$15,000 per annum.

State Contribution in Disaster Relief

Section 309 of the Bill provides that after March 1, 1957, the States must contribute at least 15% of the cost of feed or seed made available for disaster relief.

## TITLE IV - MARKETING QUOTAS AND ACREAGE ALLOTMENTS

### Extension of Surrender and Reapportionment

Section 401 extends to the 1956 and 1957 crops of wheat the present provisions for the surrender and reapportionment of wheat acreage allotments.

### Commercial Wheat Producing Area Extended

Section 402 extends the noncommercial wheat-producing area for the 1957 and subsequent crops to all States for which the wheat acreage allotment for the immediately preceding year is 240,000 acres or less.

### Small Farm Allotments for Cotton

Section 403 would amend Section 344 of the Agricultural Adjustment Act of 1938, as amended, to provide for reserving not to exceed one percent of the national acreage allotment for cotton to assist in establishing in all counties minimum farm allotments of 4 acres or the highest acreage planted on the farm in the preceding 3 years, whichever is smaller.

### Minimum State Acreage Allotments for 1956 Rice Crop

Section 404 provides for increasing State acreage allotments for the 1956 rice crop by such amount as may be necessary to provide each State with an allotment of not less than 85 per centum of its final allotment established for 1955.

### Preservation of Unused Acreage Allotments

Section 405 contains a new provision for the preservation of unused acreage allotments upon notice to the county committee by the owner or operator of the farm of his desire to preserve such allotment. This provision would not be applicable to any farm on which no acreage of the commodity was planted for four successive years or in any case in which the amount of the commodity of any previous crop stored to postpone or avoid payment of penalty had been reduced because the allotment was not fully planted.



## TITLE V - RICE

### Acreage Allotments

Section 501 provides that the national acreage allotment of rice for 1957 shall not be less than the national acreage allotment for 1956, including any acreage allotted under Section 404 of the Bill. The 1957 allotment will be apportioned among the States in the same proportion as in 1956.

### Two Price Plan

Section 501 also provides for a two price plan for rice of the 1956 and 1957 crops. A primary market quota for rice is to be determined and proclaimed by the Secretary of Agriculture for each marketing year. This primary market quota is to be determined on the basis of the quantity of rice which the Secretary determines will be consumed in the United States (including its Territories and possessions and the Commonwealth of Puerto Rico) or exported to Cuba during the marketing year. For 1956, the primary market quota is to be apportioned among the States on the basis of the 1955 production of rice in each State. For 1957, the primary market quota is to be apportioned among the States on the basis of the average yield per acre of rice in each State during 1955 and 1956, multiplied by the acreage allotment for the State. Each State quota is to be apportioned among farms in the State on the basis of the acreage allotment established for each farm, multiplied by the normal yield per acre for the farm.

Price support will be made available by Commodity Credit Corporation to cooperators through loans, purchases, or other operations on the 1956 crop of rice at 55 per centum of the parity price of rice as of the beginning of the marketing year. On the 1957 crop, the level of support is to be at such level as the Secretary of Agriculture determines will not discourage or prevent exportation of rice produced in the United States, but such level is not to be less than 50 per centum nor more than 90 per centum of the parity price.

Certificates, redeemable by CCC, will be issued by the Secretary of Agriculture to cooperators each marketing year for farms having primary market quotas. Such certificates will be issued for a quantity of rice equal to the primary market quota for the farm but not more than the normal yield for the acreage planted to rice on the farm. The value of each certificate will be equal to the difference between 90 per centum of the parity price of rice as of the beginning of the marketing year and the level of price support for rice for such marketing year (to be calculated to the nearest cent), multiplied by the quantity of rice for which the certificate is issued.

Processors of rice would be required to purchase a sufficient quantity of certificates to cover all rice processed, and importers of rice would be required to purchase a sufficient quantity of certificates to cover all rice imported. Upon the exportation of processed rice to any country other than Cuba, CCC would pay the exporter an amount equal to the value of the certificates covering such rice.

The Commodity Credit Corporation is directed to make inventory adjustment payments to all persons owning rough rice located in the continental United States as of July 31, 1956, except that payments will not be made with respect to 1956-crop rice, imported rice, or rice acquired from Commodity Credit Corporation. Such payments will be in amounts equal to 35 per centum of the parity price of rice as of August 1, 1956, multiplied by the quantities of such rough rice. An appropriation to reimburse Commodity Credit Corporation for such payments is authorized.

#### Transfer of Rice to the Set-aside

The Secretary is given discretionary authority to transfer to the commodity set-aside, established pursuant to Section 101 of the Agricultural Act of 1954, all rough and processed rice in the inventories of Commodity Credit Corporation as of 60 days after the beginning of the 1956 marketing year for rice, not exceeding 20,000,000 hundredweight of rough rice or its equivalent in processed rice.

### TITLE VI - FORESTRY PROVISIONS

Title VI authorizes the Secretary to assist States in the carrying out of plans for forest land tree planting and reforestation, and provides for price reporting and research with respect to forest products. Authority is included for appropriations for such purposes.

(NOTE: The foregoing is merely a summary of the major provisions of the Bill and is not intended to constitute a full analysis of its provisions.)









Feb. 22, 1946

severe production losses, and to broaden his authority with respect to loans made under title II of the Bankhead-Jones Farm Tenant Act; to Agriculture and Forestry Committee. Remarks of author, p. 2597

28. ELECTRIFICATION. S. 3250, by Sen. Neuberger (for himself and Sen. Morse), to amend the Federal Power Act to make the applicability of State water laws to applicants for a license under that act independent of any reservation or classification of lands of the U. S., to revoke the Federal Power Commission's license for the Pelton project No. 2030; to Interstate and Foreign Commerce Committee. Remarks of author, p. 2599
29. PUBLIC LANDS. H. R. 9448, by Rep. Budge, to provide that public lands of the U. S. shall not be withdrawn or reserved for defense purposes except by act of Congress; to Interior and Insular Affairs Committee.
30. FARM PROGRAM. H. R. 9457, by Rep. Rogers, Tex., to provide an improved farm program; to Agriculture Committee.
31. BANKRUPTCY. H. R. 9459, by Rep. Walter, to amend section 77 (c) (6) of the Bankruptcy Act; to Judiciary Committee.

SENATE, FEB. 22

32. FARM PROGRAM. Began debate on the farm bill (S. 3183). Sen. Ellender, Chairman of Agriculture and Forestry Committee, made a general statement and discussed various features of the bill with other Senators. Debate continues today.
- Senators Anderson, Langer, Williams, Aiken (for himself, Anderson, Williams and Holland), Watkins and Anderson (for himself and Aiken, Williams, Holland, Hickenlooper, and Schoepel) submitted amendments intended to be proposed by them to the farm bill. p. 2677

33. ELECTRIFICATION. Sen. Johnson criticized, and inserted a Deaf Smith Co., Texas, Electric Cooperative resolution critical of, the Hoover Commission recommendations calling for increases in interest rates on loans to RCA electric cooperatives. p. 2676

34. FOOD BANK. Sen. Welker spoke on establishing a food bank in the Antarctic, and inserted an article, "Admiral Byrd Says the South Pole can be the World's Icebox." p. 2703

ITEMS IN APPENDIX, FEB. 22

35. FARM PROGRAM. Rep. Johnson, Wis., inserted a newspaper editorial criticizing the Harper's magazine article as being unfair to the agricultural industry. p. A1673
36. FRUITS AND VEGETABLES. Rep. Hagen inserted a newspaper article commenting on the complexity of regulations issued by AFS regarding canned pumpkin and squash. p. A1673
37. RECLAMATION. Various Representatives commented unfavorably on the proposed Colorado River reclamation project, alleging the infeasibility of irrigation, power facilities, financing arrangements, and engineering proposals. pp. A1657 A1659, A1675, A1678, A1605, A1610, A1612, A1615, A1640, A1641, A1648.

ITEMS IN APPENDIX, FEB. 21

17. EDUCATION. Rep. Kelley inserted an article outlining the accomplishments during the past 10 years of the Office of Vocational Rehabilitation. p. A1605
18. FARM PROGRAM. Rep. Belcher inserted a newspaper editorial outlining the accomplishments of the administration and stating that "farming remains the one weak point in the economy..." p. A1605  
Rep. Cannon inserted a Knox County (Mo.) Nat'l Farmers Organization resolution opposing the soil-bank proposal, recommending a long-term farm support program, and urging the distribution of surplus foods to school lunch and low-income groups. p. A1632  
Rep. Cannon inserted Fred Heinkel's, Pres., Mo. Farmers Ass'n, article, opposing the administration's proposed farm program and stating the program "does not meet the basic problem of Ozark farmers low income". p. A1638
19. BUDGET. Rep. Adair inserted a newspaper editorial, "Cut Expenses, Reduce Debt, Lower Taxes" commending the administration for the "prospect of a balanced budget." p. A1614
20. FOOD AND DRUG. Sen. Wiley inserted newspaper editorials commenting favorably on the Food and Drug Administration and urging increased appropriations to provide better inspection and enforcement facilities. p. A1631
21. DISASTER RELIEF. Rep. Miller, Nebr., inserted a report on disaster relief measures on behalf of the Alaskan fisheries industry and Alaskan rural development. p. A1636
22. FORESTRY. Rep. Colmer inserted a newspaper editorial citing favorably Miss. leadership in tree farming and that State's efforts toward development of forest resources. p. A1638
23. MONOPOLIES. Extension of remarks by Rep. Celler expressing concern that monopolistic tendencies in foreign trade are inimical to American trade practices and urging international procedures to cope with artificial restraints of trade. p. A1639
24. LABOR. Extension of remarks of Rep. Scherer stating that America's continued participation in the International Labor Organization has been questioned and inserting an Ohio American Legion resolution outlining some of the issues involved. p. A1615
25. FOREIGN AID. Rep. Dowdy inserted two newspaper editorials questioning the benefits the U. S. receives from our foreign aid programs and suggesting that Congress should look long and critically at all plans for foreign aid. p. A1618
26. ELECTRIFICATION. Sen. Mundt inserted a young constituent's prize winning essay, "Using Radiant Heat on Farms." p. A1629

BILLS INTRODUCED, FEB. 21

27. FARM LOANS. S. 3247, by Sen. Allot (for himself and others), to simplify, broaden, and consolidate the authority of the Secretary of Agriculture with respect to making loans to farmers and stockmen in cases of disaster and



By Mr. BARKLEY:

S. 3259. A bill to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instructional material for the blind, to increase the appropriations authorized for this purpose, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. YOUNG (for himself and Mr. LANGER):

S. 3260. A bill to assure the accurate labeling and advertising of macaroni and spaghetti products with respect to their durum wheat flour or semolina content; to the Committee on Labor and Public Welfare.

By Mr. CLEMENTS (for himself and Mr. BARKLEY):

S. 3261. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

By Mrs. SMITH of Maine (for herself and Mr. PAYNE):

S. 3262. A bill relating to the quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture and Forestry.

(See the remarks of Mrs. SMITH of Maine when she introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART:

S. 3263. A bill for the relief of Chyn-Duog Shiah; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3264. A bill to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; to the Committee on Armed Services.

S. 3265. A bill to amend title II of the Merchant Marine Act, 1936, as amended, to provide for filing vessel utilization and performance reports by operators of vessels in the foreign commerce of the United States;

S. 3266. A bill to authorize officers of the Coast and Geodetic Survey to act as notaries in places outside the continental limits of the United States and in Alaska;

S. 3267. A bill to amend title VII of the Merchant Marine Act, 1936, as amended, to provide for experimental operation and testing of vessels owned by the United States;

S. 3268. A bill to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes; and

S. 3269. A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS:

S. 3270. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KERR (for himself and Mr. McNAMARA):

S. 3271. A bill to amend the Vocational Education Act of 1946 in order to promote scientific education; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

## RESOLUTION

The following resolution was reported and placed on the calendar:

By Mr. GREEN:

S. Res. 220. Resolution to pay a gratuity to Mary Royall Brown, reported by Mr. GREEN

from the Committee on Rules and Administration.

(See resolution printed in full when reported by Mr. GREEN, which appears under the heading "Reports of Committees.")

## QUALITY REQUIREMENTS FOR IRISH POTATOES

Mrs. SMITH of Maine. Mr. President, on behalf of myself, and my colleague, the junior Senator from Maine [Mr. PAYNE], I introduce, for appropriate reference, a bill relating to the quality requirements for, and the inspection, certification, and labeling of Irish potatoes. I ask unanimous consent that the bill lie on the desk for 1 week to permit any Senator who may so desire, to cosponsor it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be on the desk, as requested by the Senator from Maine.

The bill (S. 3262) relating to the quality requirements for, and the inspection, certification, and labeling of Irish potatoes, introduced by Mrs. SMITH (for herself and Mr. PAYNE), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

## AMENDMENT OF VOCATIONAL EDUCATION ACT OF 1946, RELATING TO PROMOTION OF SCIENTIFIC EDUCATION

Mr. KERR. Mr. President, on behalf of myself, and the Senator from Michigan [Mr. McNAMARA], I introduce, for appropriate reference, a bill to amend the Vocational Education Act of 1946 in order to promote scientific education, the purpose of the bill being to provide an incentive for the teaching of science, mathematics, and engineering in the high schools and public schools of our country, and making it a part of the activities under the Vocational Education Act. An appropriation of \$10 million a year would be authorized to finance the program.

I ask unanimous consent that the bill may remain on the desk for 48 hours, in order that any Senator who wishes to do so may become a cosponsor.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oklahoma.

The bill (S. 3271) to amend the Vocational Education Act of 1946 in order to promote scientific education, introduced by Mr. KERR (for himself and Mr. McNAMARA), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

## AGRICULTURAL ACT OF 1956—AMENDMENTS

Mr. ANDERSON submitted an amendment, intended to be proposed by him, to the bill (S. 3183) to provide an improved farm program, which was ordered to lie on the table and to be printed.

Mr. LANGER submitted amendments, intended to be proposed by him to Senate bill 3183, supra, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS submitted amendments, intended to be proposed by him, to Senate bill 3183, supra, which were ordered to lie on the table and to be printed.

Mr. AIKEN (for himself, Mr. ANDERSON, Mr. WILLIAMS, and Mr. HOLLAND) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3183, supra, which was ordered to lie on the table and to be printed.

Mr. ANDERSON (for himself, Mr. AIKEN, Mr. WILLIAMS, Mr. HOLLAND, Mr. HICKENLOOPER, and Mr. SCHOEPEL) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3183, supra, which was ordered to lie on the table and to be printed.

Mr. WATKINS. Mr. President, I send to the desk three amendments which I intend to propose to the bill (S. 3183) to provide an improved farm program. I ask that they be printed and lie on the desk until called up for consideration.

The first amendment provides that price support shall not be made available with respect to the products of any one farm of a total value, determined on the basis of support prices, in excess of \$50,000.

The second amendment, would require the Secretary of Agriculture to obtain from processors certification that they had paid producers not less than the support price, or in the case of commodities for which no support price has been established not less than 75 percent of parity, of any agricultural commodity for which price support or surplus removal operation is carried out through purchases from or loans or payments to processors.

The third amendment would—

First. Permit the Secretary of Agriculture to require, as a condition of eligibility for price support under the Agricultural Act of 1949, that farmers participate in the acreage reserve program.

Second. Require farmers to participate in the acreage reserve program in order to be eligible for payments under the Agricultural Conservation Program if they produce basic commodities, except peanuts.

Third. Render any farmer who knowingly harvested any acreage of a basic commodity in excess of the farm acreage allotment for that farm ineligible for payments under the agricultural conservation program, with four minor exceptions.

I ask unanimous consent that the amendments be printed at this point in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 4, between lines 22 and 23, insert the following:



**"PRICE SUPPORTS—LIMITATION"**

"SEC. 107. Title IV of the Agricultural Act of 1949, as amended, is amended by adding at the end of such title a new section as follows:

"SEC. 421. Price support shall not be made available under this act during any calendar year with respect to the products of any one farm of a total value, determined on the basis of support prices, in excess of \$50,000."

On page 4, line 24, strike out "107" and insert "108."

On page 4, between lines 22 and 23, insert the following:

**"CERTIFICATION OF RECEIPT OF SUPPORT PRICES BY PRODUCERS"**

"SEC. 107. Section 401 (e) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall obtain certifications from such processors that the producers of the agricultural commodities involved have received not less than the support price therefor or, in the case of commodities for which no support price has been established, such price, not less than 75 per centum of the parity price, as may be determined by the Secretary to be necessary to provide a reasonable return to such producers."

On page 4, line 24, strike out "107" and insert "108."

On page 25, between lines 14 and 15, insert the following:

**"PARTICIPATION IN ACREAGE RESERVE PROGRAM AS CONDITION OF ELIGIBILITY FOR PRICE SUPPORT AND SOIL CONSERVATION BENEFITS"**

"SEC. 225 (a) Section 401 (c) of the Agricultural Act of 1949, as amended, is amended by inserting after 'prescribed by the Secretary', the following: 'and participation in the acreage reserve program under subtitle A of the Soil Bank Act.'"

(b) Section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding at the end of the first paragraph thereof a new sentence as follows: "Participation in the acreage reserve program under subtitle A of the Soil Bank Act shall be required as a condition of eligibility for payments under this section in the case of producers of the commodities referred to in section 203 of such act."

On page 36, between lines 14 and 15, insert the following:

**"COMPLIANCE WITH ACREAGE ALLOTMENTS AS A CONDITION OF ELIGIBILITY FOR SOIL CONSERVATION BENEFITS"**

"SEC. 406. The Agricultural Adjustment Act of 1938, as amended, is amended by inserting after section 347 a new section as follows:

"SEC. 348. (a) Any person who knowingly harvests any acreage of any basic agricultural commodity on his farm which has been determined by the Secretary to be in excess of the farm acreage allotment for such commodity for the farm for such year under this title shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended. For the purposes of this section, no person shall be deemed to have harvested any acreage of any basic agricultural commodity in excess of his farm acreage allotment by reason of harvesting corn for ensilage, harvesting wheat in an amount not in excess of 15 acres, harvesting a commodity or a crop with respect to which producers have rejected marketing quotas in a marketing quota referendum, or harvesting peanuts for seed to be used for the raising of peanuts to be hogged off.

"(b) Persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, shall be required to establish their eligibility for

such payment under this section in such manner as the Secretary may prescribe by regulation."

Mr. LANGER. Mr. President, I submit a series of five amendments, intended to be proposed by me, to the bill (S. 3183) to provide an improved farm program, and ask that they be printed and lie on the table. I ask unanimous consent that a general statement, prepared by me, in support of the amendments, may be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the statement will be printed in the RECORD.

The statement, presented by Mr. LANGER, is as follows:

**STATEMENT BY SENATOR LANGER IN SUPPORT OF AMENDMENTS TO AGRICULTURAL ACT OF 1956**

Section 101 of the farm bill (S. 3183), as reported by the Committee on Agriculture and Forestry, omits wheat from the mandatory 90 percent of parity provision covering corn, peanuts, and cotton. Amendment of the bill to remove the restrictive language would mean that all wheat would be supported at 90 percent of parity by direction of the Congress of the United States. Wheat would thus stand on the same footing along with the other basic commodities.

Section 102 of the farm bill, as reported by the committee, sets up a special formula for determining the support level for wheat. In 1956, most wheat probably would be supported at 90 percent of parity. But in 1957 and later years, there is no way to tell at what level wheat would be supported. The only mandatory provision is that all wheat price levels must be maintained at 75 percent of parity. The bill provides that some type of wheat should be supported at 90 percent of parity and certain other types at a competitive relationship with the feed value ratio with corn support levels.

The determination of which kinds of wheat and how much shall be supported at 90 percent of parity; and which kinds and how much shall be supported at the corn loan level is left entirely to the tender mercies of the Secretary of Agriculture, whom ever he might be at that future time, as advised by a committee, two-thirds of whose members would not be wheat farmers.

This direct weakening of the wheat price support program is bad enough in and of itself. But as it could operate to destroy the support programs for all basic commodities, it is even more dangerous and invidious.

Section 102, in its entirety, should be removed from the bill. And wheat could be restored to its full status as a basis along with cotton, corn, peanuts, and tobacco by striking out the exclusion of wheat in section 101.

Mr. LANGER. Mr. President, I ask unanimous consent that the amendments, together with a statement, prepared by me, relating to each amendment may be printed in the RECORD.

There being no objection, the amendments and statements were ordered to be printed in the RECORD, as follows:

Beginning with line 3, on page 1, strike out over through line 24, on page 4, and insert the following:

**"TITLE I—FAMILY FARM INCOME PROTECTION"**

"SEC. 101. Title I, title II, and title III of the Agricultural Act of 1949, as amended, are hereby repealed.

"SEC. 102. The Secretary of Agriculture (hereinafter called the Secretary) is authorized and directed to make available through loans, purchases, parity payments, production payments, marketing premium pay-

ments, purchase agreements, and other operations farm income protection programs to cooperators up to the limit of family-farm production for any crop or year's marketings of any agricultural commodity, if producers have not disapproved marketing quotas, marketing orders, or prescribed marketing practices for such crop or year's marketings, at a level not less than 100 percent of the parity price of the commodity.

"SEC. 103. The parity price of any commodity shall be the price determined by the Secretary to be required, when multiplied by the average annual marketings of the commodity during the immediately preceding 3 years, to provide the parity income for the commodity, as defined in section 301 (a) (2) of the Agricultural Adjustment Act of 1938, as amended.

"SEC. 104. For purposes of this title the term 'upper limit of family farm production' means the total volume of farm marketings that in terms of 1954 technology and farm prices, will enable a typical single-unit family farm to earn a net family income, after paying all production costs, of not more than \$6,000, except that if the operator can show by attested certification that he has not employed during the year more hours of hired farm labor than was performed by the operator and members of his immediate family, such unit shall be eligible for income protection to the full extent of its farm marketings.

"SEC. 105. Parity payments, production payments, and marketing premium payments shall be the primary method of carrying out family farm income protection programs under this title with such payments used in workable combinations, as may be determined by the Secretary to be applicable to the different commodities, with loans, purchase agreements, purchases, and other methods.

"SEC. 106. Section 303 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words 'corn, wheat, cotton, rice or tobacco' and substituting therefor the words 'any agricultural commodity' and by striking out the words 'parity price' and substituting therefor the words 'parity income'.

"SEC. 107. To carry out the purposes of this title, the Secretary is authorized and directed to make use of any or all price support funds, heretofore or hereafter made available to him. Expenditures made to carry out the purposes of this title by the Commodity Credit Corporation, as directed by the Secretary, shall be reported to the Treasurer of the United States who shall order the cancellation of an equivalent value of Commodity Credit Corporation notes held by the Treasury.

"SEC. 108. The total of parity payments, production payments and marketing premium payments made to any single farm operator or farm family shall not exceed \$2,500 in any one calendar year.

"SEC. 109. The words 'production payments' means the making of payments directly to producers equal to the extent by which average market price received by farmers augmented by such marketing premium payments and parity payments as may have been made for the commodity is less than the parity price therefor.

"SEC. 110. Marketing premium payments as used in this title mean payments made to producers, where required, in connection with special marketing programs for such commodities as may be designated by the Secretary to encourage the marketing of high quality commodities in a volume better balanced with consumer demand than would be the case in the absence of such marketing premium payments program."

The statement by Senator LANGER, relating to his amendment numbered 1, is as follows:



The amendment submitted by the Senator from North Dakota would substitute a comprehensive full parity farm-income program for the partial-parity provision of Members of the Senate fully understand that we live in an almost completely legislated economy.

Interest rates are established under authority of Federal law by the United States Treasury and the Federal Reserve Board. This is price or income support for banks and other lending institutions.

Freight and passenger rates are established by the Interstate Commerce Commission under authority of Federal law. This is price or income support for the transportation industry.

Depletion allowances are income supports for the oil and certain other industries.

Accelerated tax amortization privileges extended by the Office of Defense Mobilization are price or income supports for a wide range of business and industry.

Military procurement cost-plus contracts are price or income supports and Government guarantees of minimum levels of profit for that group of manufacturers.

Tax dollars used for the strategic materials stockpile have been used deliberately to support prices and incomes of high cost (or inefficient) producers of many minerals.

Appropriations are made annually to support the merchant marine—this is price or income support for private ship owners.

Industrial tariffs are effective price or income supports for the manufacturing business community.

This is only a small part of the list of direct and indirect subsidies or price and income supports provided by our Government for a major part of our so-called free-enterprise economy.

Minimum-wage laws and protection of collective bargaining are income supports for workmen.

Every major segment of our economy has specifically designed income support provided by the Federal Government. Why should farmers be picked out as the only important segment required to survive on a go-it-alone, get-yours-in-the-free-market basis.

Yet Secretary Benson and his big-business advertising men have been drumming for 3 years, trying to sell these ideas:

That farm programs are bad.

That subsidies are very bad for farmers.

That supports for farmers are destructive of our free-enterprise system.

That if for political reasons it is necessary to have them at all, they should be very low (at disaster levels) and that the level at which disaster overtakes farmers should be entirely in the discretion of the administration.

That surpluses of food are a very bad thing and not in the public interest.

That the cost of farm programs is an unjustifiable and unneeded burden on the taxpayers and that such programs are directly responsible for the high cost of food at retail.

And, finally, great effort has been made to convince the public that price supports at any level, higher than desired by the administration, whatever that level is, have only one purpose and effect, namely, to subsidize high-cost or inefficient farmers.

Everybody has been told there is six or seven billion dollars invested in CCC inventories of farm products. But how many people know the amount of money tied up in the strategic materials stockpile? Judging from the appropriation thus far requested, it is probably nine or ten billion dollars. More than a year ago the Wall Street Journal reported our buying policy was to offer prices high enough on all strategic materials to insure a fair margin of profit to the high cost or inefficient producers. And I'm not opposed to that—I'm pointing it out to get this discussion in proper focus.

What is the cost to the Treasury in uncollected taxes of the 27½-percent depletion allowance for the producers of oil and certain other minerals. Who knows? The annual cost to other taxpayers probably exceeds the cost of the farm program.

What is the cost to the Treasury in uncollected taxes of the accelerated tax amortization certificates? The House Appropriations Committee's reports place the figures at more than \$40 billion from 1950-54.

In these unsettled times everyone wants our country to be strong enough to cope with any situation which could conceivably arise. Our military is now reported to have in inventory \$140 billion of military equipment.

Now, military equipment has an acknowledged rate of obsolescence that runs close to 33⅓ percent annually, with many of the highly expensive items in the inventory like planes, guns, and radar equipment completely out of date by the time they are delivered to the military. This obsolescence amounts to billions of dollars each year and is borne by the taxpayer, not by the manufacturer.

In agriculture, farmers and farm programs are charged with the total cost of carrying inventories and the cost of spoilage.

Wouldn't it then seem reasonable to charge General Motors, du Pont, Douglas Aircraft, and other producers of military goods with the comparable cost of carrying military inventories and the loss incurred from obsolescence? What is proper for one should be proper for the other. Yet, of course, no intelligent person would seriously make such a suggestion. Let's get this farm debate into perspective.

If we are really concerned with national defense and the public interest, why isn't it just as important to have adequate—yes, more than adequate—stockpiles of food and fiber, as to have stockpiles of military equipment and strategic materials—and why isn't it equally sound to charge the cost of such food inventories not against farmers and their farm program but where they belong in the defense budget?

But let's continue with the record of this big-business administration. And remember its their record—they made it.

According to the Wall Street Journal, business borrowers are paying the highest interest rates in 22 years. Since January 1, 1955, the Treasury Department has tripled interest rates on some issues of Government securities.

These general increases in interest rates were started early in 1953. Farmers are, of course, caught in this interest-rate game as are other users of credit. Farm mortgage debt increased 7 percent in 1954 over 1953 and in 1955 was 10 percent higher than in 1954.

Here are some of the results accruing to big business from Government price and income supports. Comparing with the comparable figures for 1952—

Corporate profits before taxes are up 20 percent.

Corporation profits after taxes are up 34 percent.

The price of corporation stocks is up 71 percent.

During the first 9 months of 1955 General Motors sales were 10 billion and profits after taxes were 1 billion. Kraft cheese (a processor of dairy products) 1952 profit 27 million; 1953, 30.8 million; 1954, 37.4 million and thus far in 1955 their profits are at an annual rate of 40 million.

Railroads have had 13 permanent rate increases since 1946. According to the American Association of Railroads their 1955 profits are expected to be at least 20 percent greater than 1954 or more than \$1 billion.

Government reports show the following increases in profits for 1955 adjusted to an annual basis over the levels of 1954:

Ten textile companies up 78.1 percent.

Twenty-three steel companies up 105.9 percent.

Six rubber companies up 34 percent.

Twenty-one chemical companies up 28 percent.

Seven farm-equipment companies up 24 percent.

Thirty utility companies up 13 percent.

Now how do these figures compare with the situation in which farmers find themselves?

The average price of all farm products for 1955 adjusted to was down 19 percent from the level of 1952. Yet farm income was down 12 percent from 1954 and down 27 percent from 1952.

Copper even during the most critical period of World War II was being price supported and purchased by the Government at 12 cents per pound. I remember the discussions and this figure was determined to be adequate to keep even the high cost producers in business. Now, copper is being price supported and purchased for the strategic materials stockpile at 36 cents per pound, three times as high and a very similar situation is true with respect to lead and zinc.

Farmers and the farm program are deliberately being made the public whipping boy, so as to keep public attention diverted from the great giveaway programs which appear to be a basic policy of this administration. Tidelands oil, Dixon-Yates, Hells Canyon, our \$16 billion investment in atomic energy, our publicly owned grazing lands, large areas of our national forest, and our publicly owned hydroelectric powerplants. Perhaps slogans like regimentation as applied to farm programs, and creeping socialism as applied to TVA and our 50-year-old public-power policy have been carefully designed to blind the public to a new policy of galloping giveaway of our remaining public domain.

These are the essentials of the amendment proposed by the Senator from North Dakota.

The amendment provides for a parity formula which will accomplish these objectives.

1. Establish parity prices that would provide parity income for farmers—that was the goal Congress set in the 1948 Farm Act.

2. Establish a fair relationship between the parity price of the various farm commodities.

3. Result in a level of parity prices on all commodities high enough to enable farmers to operate and maintain their farms and to earn per person incomes equivalent to those that can be earned by people in other walks of life.

My amendment repeals the so-called modernized parity formula, dual parity, and transitional parity because all these formulas will, year after year, create an unpredictable distortion in a fair parity price relationship, among farm commodities.

Existing parity formulas come out with prices on most commodities at levels too low to enable farmers year after year to meet their operating costs and maintenance of their plant and equipment.

The so-called modernized formula insures that bad luck 1 year by producer of a commodity becomes bad luck for 10 years.

It has a built-in factor which will mathematically create a lower parity price, year after year, for all commodities whose market prices fall below parity.

There are some requisites that must be taken into account when you speak of controls. Farmers must pay their bills out of gross income. Gross income is derived from bushels times price, or pounds times price, or gallons or whatever they produce times the unit price of that commodity. So when total production is reduced it naturally follows that the unit price must be high enough so that the multiplication will result in sufficient income for the farmer to pay his bills, otherwise bankruptcy will follow quickly. It's just that simple.



It seems a bit silly to take the time of the Senate with this primer grade arithmetic but it is evident that many of the Senators do not understand it. Advocates of the sliding scale of price supports allege that lower price on all nonbasic commodities and to the limit permitted by law, has reduced acreage of basic crops. Total production has not been reduced, it has increased on everything but allotment crops—but, the lowered price on the nonbasic commodities and the sharply reduced production of allotment crops has resulted in a cost-price relationship that closely approaches that of 1933.

The Senators will agree that 1933 was a bad time for the entire Nation? Do the Senators know that using the same parity formula so that the figures are truly comparable—the national average price of wheat was 70 percent of parity in 1933 and only 77 percent on October 21, 1955—

On barley it was 58 in 1933 and only 51 now.

On flaxseed it was 81 in 1933 and only 57 now.

On oats it was 71 in 1933 and only 50 now.

On rye it was 73 in 1933 and only 43 now.

On corn it was 68 in 1933 and is 69 at the present time.

These are national averages. The average price in North Dakota on some of these crops is lower than these national average figures.

It is said, in disregard of the truth, that the sliding scale has not yet had a chance to work—that it started only this year. Let the Senators review the facts known to all who haven't forgotten.

The sliding scale law with its new parity formula became law in 1948. It was amended in 1949—to raise the bottom of the sliding scale from 60 percent to 75 percent of parity; it was further amended so that the sliding scale could not be applied to the six basic crops and so that both parity formulas should be used in calculating the parity price of the 6 basic commodities and that whichever parity price was higher on any of the 6 basic commodities was the one to be used—it was renewed from time to time and finally expired in 1954. Therefore, the new parity formula and the sliding scale of price supports were in effect for the first time on the 1955 crop of the six basic commodities—wheat, corn, cotton, rice, tobacco, and peanuts. All other crops have been under the new parity formula and subject to the sliding scale of price supports since 1949. This administration has used the sliding scale of price supports on a reducing basis as rapidly and drastically as it could on everything except the six basic crops of which only wheat is a principal cash crop in North Dakota. Must the Senator from North Dakota remind anyone of the sliding-scale application to oats, barley, flaxseed, and rye in the past 3 years? Does any Senator need a reminder of the application of the sliding scale to dairy products on April Fool's Day in 1954?

The sliding scale has also been used on cottonseed, soy beans, and grain sorghums. The present law authorizes price supports, and the money is available for them on hogs, cattle, sheep, lambs, chickens, eggs, and many other additional commodities. Yet, despite this authority, no action was taken by the Eisenhower administration last year when eggs hit a low of 6 cents a dozen. No action was taken 2 years ago when cattlemen by the thousands were bankrupt, and the Senators know the story of hog prices.

The amendment before you makes adequate supports mandatory in law. As a nation we believe in a government of law, administered by men, not a government of men, administering by edict. Second, no industry of the size and complexity of agriculture can afford to have its operations subjected annually to the caprice, the attitude, or the just plain ignorance of an individual who may from time to time be Secre-

tary of Agriculture. As to the level of supports, we want price supports at, as the amendment provides for, 100 percent of parity farm income protection.

Experience has proved that the only time the so-called free market will yield 100 percent of a fair parity to farmers is when there is an actual and serious shortage of a particular commodity. When that happens, most farmers have little or nothing to sell and consumers are required to pay ridiculous prices for that commodity. And, finally, for the reason that if a fair parity price, means what it says: A fair price, a necessary price, in relation to a farmer's cost, then any price less than 100 percent of parity is less than a fair price and less than a necessary price.

There is no ethical, moral, nor economic justification for fractional support prices. The only difference between 90 percent of a fair price and 60 percent of a fair price, is that a farmer can stay in business a little longer with 90 percent of a fair price than he can with 60 percent of a fair price.

The amendment proposed by the Senator from North Dakota provides for mandatory 100 percent of parity farm income. The parity price formula provided in the pending amendment starts with the parity farm income definition in the Agricultural Adjustment Act of 1938, as amended, that the average income per person of people on farms should be equivalent to that of nonfarm people. The existing law then defines parity income for each commodity as being its part of parity farm income. The amendment provides that parity price of a commodity shall be the price which if multiplied by the average volume of marketing for that commodity over the preceding 10 years will give the parity income for that commodity.

#### PARITY PRICE FORMULA

In 1948, the Congress enacted a provision relating to parity farm income. The proposed amendment now on the desk introduced by the Senator from North Dakota would put some teeth into the parity income promise of the successful presidential candidate in 1952 who evidently had read the 1948 farm act. The amendment takes the parity income definition in the 1948 act that has been on the books for 8 years and uses it to calculate parity prices for the different commodities.

Section 301 (a) (2) of the Agricultural Adjustment Act of 1938, as amended in 1948, defines parity farm income as that gross income that will enable farm operator families to have a standard of living equivalent to that of people in other gainful occupations.

The standard is the income of non-farm people. The per person income of nonfarm people in 1955 was approximately \$1,960. The average per person family income from farm sources of commercial farm operator families was about \$860; this is exclusive of about \$270 of income per farm person from nonfarm sources. Parity farm income would thus be \$1,690, or \$830 per person higher than was actually the case in 1955. Actual farm operator family income in 1955 was only 51 percent of parity farm income.

To provide a parity farm income, national farm operators total net income would have had to have been \$21.6 billion instead of the \$11 billion actually attained.

Holding production expenses at the same level, this would mean an increase in farm operators gross income from the 1955 figure of \$33.3 billion to \$43.9 billion and increase of cash receipts from marketings from the 1955 figure of \$29.2 billion to approximately \$39.2 billion.

This \$39.2 billion figure would be established by the Secretary of Agriculture as the parity equivalent cash receipts from farm marketings and the \$43.9 billion figure as the 1955 parity farm gross income.

The parity equivalent cash receipts from farm marketings for 1955 is thus just about one-third greater than the 10-year average of cash receipts from farm marketings from 1945 through 1954. In accordance with section 301 (a) (2) of the Agricultural Adjustment Act of 1938, as amended, the commodity parity income of any commodity would be the same relationship to the 10-year average. Thus the parity income for what in 1955 would be 133 percent of the average annual farm value for the 10-year-base period. The same calculation would be made for any commodity. The following calculations of commodity parity income and parity price are indicated in the attached table for illustrative purposes only. Exact calculations by the Department of Agriculture statisticians might vary a few cents one way or another from the parity prices I have shown in the table. But the table does illustrate quite accurately the effect of the amendment that has been introduced by the Senator from North Dakota.

#### CALCULATION OF LARGER PARITY PRICES

A. Ten-year average cash receipts from farm marketings, \$30 billion (1945-54 average).

B. Parity equivalent cash receipts from farm marketings, \$39.2 billion.

| Commodity                 | Ratio (B divided by A) |               | Plus 131 percent    |                     | Modernized parity |
|---------------------------|------------------------|---------------|---------------------|---------------------|-------------------|
|                           | 1945-54 marketings     | Parity income | 1945-54 volume sold | Larger parity price |                   |
|                           | Millions               | Millions      | Millions            |                     |                   |
| Hogs (hundredweight)..... | \$3,751                | \$4,914       | 191                 | \$25.70             | \$21.00           |
| Wheat (bushels).....      | 2,310                  | 3,026         | 1,164               | 2.59                | 2.38              |
| Rye (bushels).....        | 32                     | 42            | 21                  | 2.00                | 1.66              |
| Barley (bushels).....     | 331                    | 434           | 266                 | 1.63                | 1.33              |
| Cotton (pounds).....      | 2,114                  | 2,769         | 6,516               | .42                 | .35               |
| Flaxseed.....             | 156                    | 204           | 38                  | 5.38                | 4.41              |

The Senator from North Dakota never has seen any justification for limiting price supports to the six basic commodities.

The amendment submitted by the Senator from North Dakota provides 100 percent of parity farm income protection for all important farm commodities. This would provide, first, equitable treatment of all farmers, whatever they produce. Second, it establishes the only basis upon which it is possible to secure, democratically, the annual reallocation of agricultural resources necessary to meet the Nation's food needs, while yet dealing factually with the problems of

weather, soil, climate, and geography, all of which affect a farmer's ability to shift his production emphasis. These are problems peculiar to and inherent in agriculture.

The amendment is designed to protect, preserve, and strengthen the family-type farmer in American agriculture.

In line with this objective we want minimums established of either acreage or marketing allotments as the case may be so that family-type farmers will not be forced out of business.

In line with this same objective the amendment sets a maximum in line with the nor-



mal production of an "adequate family farm," above which no farm income protection would be available to any operator. This was recommended by President Eisenhower. His supporters among the Senators will no doubt support the amendment of the Senator from North Dakota.

The amendment proposed by the Senator from North Dakota authorizes and directs the use of parity payments, production payments, and market premium incentive payments.

Let's see how production payments work out for a commodity the Senators are all interested in—milk.

The price problems in fluid milk areas are more difficult than those for most other farm commodities. The production standards necessary to meet health requirements of milk are exacting. Milk is a highly perishable product and must be moved daily. Dairymen, in most cases, must sell to one or a few buyers. Price stability is necessary to assure a dependable day-to-day supply of milk in urban markets.

In the interests of both dairy farmers and the general public, the farm income protection program must treat milk as a basic commodity. The dairy farmer must have price assurance which is just as definite and adequate in amount as that provided any other producer.

In order to carry out the program, all the available tools should be used.

Dairy cooperatives enable farmers to do better bargaining, stimulate competition, and provide a maximum of self-help.

Marketing agreements and orders help to maintain orderly marketing and otherwise aid in evening out the peaks and valleys of supply and price.

In particular circumstances and at particular times, the Government purchase method of supporting prices works well. When a surplus situation is likely to last only a short time, and when desirable outlets such as the school lunch program are available, it makes sense to buy and provide a use for milk that might otherwise demoralize markets and go to waste.

The Secretary of Agriculture has been using all these methods, however, and they have done a completely adequate job. In addition, the production-payment method should be used. This method allows producers to go on producing and consumers to go on consuming past the point where surpluses would otherwise begin to cause trouble. It is a simple method. If prices averaged less than the parity-support level, producers would receive a payment for the difference between the market average and the support price. It offers the producer an opportunity to sell more milk at reasonable prices, instead of selling less milk at higher prices. It is a price-support method which keeps the Government out of business channels and gives the consumer the chance to use the abundance that the farmer produces.

Production payments make sense. The rank and file of consumers think so, too. Taxpayers are justifiably alarmed at the money they are spending to take milk and other commodities off the market. They recognize the need of farm-income protection, but they don't see much point in buying farm commodities for uneconomic uses.

Maybe the opponents of production payments can tell you how the Government can put these commodities to good use—how they can use them under existing legislation to improve the diets of the American people.

In view of the remarkable hue and cry by the Eisenhower administration against the use of production payments, you might be interested in the recommendation of the Dairy Industry Committee over 10 years ago.

This committee, by the way, represented the following: The American Butter Institute, National Cheese Institute, American Dry Milk Institute, Evaporated Milk Associa-

tion, International Association of Ice Cream Manufacturers, International Association of Milk Dealers, and the Dairy Industries Supply Association.

In discussing possible methods of price support after the war the committee came out solidly for what it called "compensatory payments to producers" which it described as follows:

"The prices of dairy-products, left free to find their level on the basis of supply and demand, coupled with a direct Government payment to the farmer in addition to his return under a free market price, if necessary, to maintain the support.

"This form of support"—still quoting the Dairy Industry Committee—"would tend to promote maximum consumption consistent with demand and supply conditions. \* \* \* The Dairy Industry Committee recommends this method to Government and has committed itself to work for its adoption."

The purchase method discourages consumption by raising prices to consumers.

It takes away from consumers the foods they want and places those foods in Government warehouses.

It puts the Government in business in a big way, buying, storing, and trying to dispose of perishable commodities.

It is expensive and wasteful.

It makes a difficult disposal problem, because the products can seldom be sold back into domestic markets. Instead, they must generally be given away or sold abroad at prices much lower than American consumers are paying.

The amendment provides an alternative support method. Whenever a commodity requires support the national ever-normal storehouse is full and there are no further satisfactory outlets such as the school lunch program, the Government should stop buying and start making production payments directly to producers.

The Senator from North Dakota firmly believes that the only real purpose—the sole and only justification for a farm program of any kind is to assure to farm families an income, adequate to meet annual cost of operation, necessary maintenance, and improvement of plant and equipment, and to maintain a level of consumption and use of goods and services, commensurate with the dependence of the rest of our highly integrated economy upon an adequate level of farm family purchasing power. Any suggested farm program or any suggested part of a farm program which does not meet this test has no value and no justification.

Those who believe the principal consideration in a farm program is "How much does it cost?" would do well to recall the years 1920 through 1929. In those years there were no tax dollars spent for a farm program; there were no difficult administrative problems; and there were no farm programs to affect in any way our so-called free-enterprise economy.

But there were a million and a half farmers who were bankrupt and most of the rest were so deeply in debt that it took the best part of 20 years for even a part of them to get their heads above water.

Those who disagree as to the need and purpose of a complete farm program should review the period 1930 through 1935. The hundreds of thousands of small-business men who were bankrupt—business executives committing suicide—bank failures the length and breadth of our land; the entire economy almost at a standstill; 16 million men unemployed.

There were difficult administrative problems then. There were tax dollars spent then. Our free-enterprise economy which then was sick unto death was glad to have "Dr. Government" prescribe the medicine and pay for both the doctor and the hospital bill.

Government guaranties of bank deposits, RFC, RACC, NRA, PWA, WPA, propping up insurance companies, bailing out creditors, making work, so as to feed the unemployed. No one cried creeping socialism then. No one shouted about regimentation then. No one objected to the use of tax dollars. No one insisted on a balanced budget then. No one alleged then that Government programs were destroying the free-enterprise system. Everyone then agreed that Government action was imperative, to save the free-enterprise system. And all of this, because farmers, in our highly legislated, highly subsidized economy, had found it impossible to keep their price and income in sound relationship to their costs and their loss of purchasing power had the cumulative effects upon the entire economy with which you are all familiar.

The total cost to the Nation, of not having a strong and adequate family farm income protection program during the decade of the twenties and the first part of the thirties was so staggering, and present level of Government subsidies both direct and indirect, which are price and income support programs for big business, is so high that the Senator from North Dakota has no hesitation whatsoever in suggesting an adequate family farm income protection program with the total net cost to be borne by the Government. All of the lessons of history plus the whole body of public experience provide adequate evidence than any lesser alternative will in the end be unthinkably more costly.

The amendment numbered 2, submitted by Mr. LANGER, is as follows:

On page 7, beginning with line 3, strike out over through line 22 on page 11.

On page 11, line 23, strike out "Subtitle B" and insert "Subtitle A."

On page 21, line 12, strike out "Subtitle C" and insert "Subtitle B."

On page 25, beginning with line 15, strike out over through line 17 on page 30, and insert in lieu thereof the following:

**"TITLE III—NATIONAL EVER-NORMAL STOREHOUSE AND CONSERVATION RESERVE**

**"SEC. 301.** Title I of the Agricultural Act of 1954 is hereby repealed.

**"SEC. 302.** The Commodity Credit Corporation shall set aside within its inventories at least one year's normal domestic consumption and exports of all storable farm commodities and storable products of perishable and semiperishable farm commodities, as rapidly as the Secretary of Agriculture shall determine to be feasible with due regard to not reducing any year's market volume of farm commodities and their products below the quantity that will be taken by consumer demand and exports in a full employment economy at 100 percent of parity prices. Such set-aside commodities and products shall be called the 'national ever-normal storehouse.'

**"SEC. 303.** The ever-normal storehouse shall be adequately dispersed within the geographic area of the United States in relation to population distribution to serve the needs of civilian defense, as determined by the Civil Defense Administrator and within the geographic area of friendly free domestic nations as required for collective security as determined by the President upon recommendations of the National Security Council.

**"SEC. 304.** The national ever-normal storehouse shall not be reduced except (1) by order of the President at any time when in his judgment such reduction is required for purposes of the common defense or to relieve acute shortages of food or fiber in case of widespread national disaster, declared by the President, or (2) in time of war or during a national emergency with respect to the common defense proclaimed by the President, on order of such agency as may be designated by the President.



"SEC. 305. The Commodity Credit Corporation is authorized to advance not to exceed \$750 million annually, in addition to the authorization in section 209 (c), to expand the scope of the conservation reserve program in a manner that will contribute to establishment of a national conservation safety reserve of soil fertility and improved soil, water, and related resources, and reduce the volume of total agricultural production in any year to the volume that will be marketable in a year of full employment at 100 percent of parity prices. Allocation of these funds to the several commodities will be determined by the extent to which the gross income from the sale of each fails to reach the parity income as defined in section 301 (a) (2) of the Agricultural Adjustment Act of 1938, as amended.

"SEC. 306. The Commodity Credit Corporation is authorized and directed through use of funds available to it to extend loans for adequate periods at an interest rate equal to the average net cost of funds to the Federal Government and technical services to farmer-owned and farmer-controlled cooperatives to build storage, processing, and distributing facilities required to handle the national ever-normal storehouse and to make binding occupancy agreements to utilize at least 75 percent of such storage space for a period of not less than 10 years."

The statement by Senator LANGER, relating to amendment numbered 2, is as follows:

The Senator from North Dakota has submitted an amendment, which, if enacted, would establish a national safety reserve of food and fiber for civilian defense and military security of the free democratic friendly nations of the world.

The amendment would require the Secretary of Agriculture to establish within the Commodity Credit Corporation, a national security ever-normal storehouse of storable farm commodities and storable products of perishable and semiperishable farm commodities equal to 1 full years' domestic consumption and exports. This national security storehouse of commodities would be widely dispersed within the United States in accordance with directions of the Administrator of Civilian Defense and throughout the friendly free democratic nations of the world in accordance with the recommendations of the National Security Council. I realize that the general public has not been informed of the very great danger to our country of hydrogen bombs and cobalt bombs carried by intercontinental bomber planes. And the intercontinental ballistic missile with a hydrogen bomb warhead is just around the research corner. I know the Administrator of Civilian Defense would feel that our urban populations, particularly, would be safer if we had a stockpile of stored food and fiber to meet the emergency that we hope never comes.

The proposed amendment would direct that three-fourths of the ever-normal storehouse in the United States should be processed and stored by farmer-controlled and farmer-owned processing and marketing cooperatives.

The amendment also provides that subtitle A of the Soil Bank Act would be eliminated from the bill and the money transferred to the conservation reserve so that we can build up a completely adequate reserve of soil fertility without putting an undue hardship on wheat and cotton farmers who have already been forced to take 25 to 50 percent cuts in their cash crop acreages.

The amendment numbered 3, submitted by Mr. LANGER, is as follows:

On page 28, at the end of line 5, add the following: "No expenditure shall be made from this fund except for marketing pre-

mium payments or production payments except where the Secretary of Agriculture determines that the purposes of this act and improved national nutrition will be furthered by purchases made from processors or other vendors who certify that the producers of the commodities from which the products are made received payment for the commodities at the support price equivalent specified by the Secretary of Agriculture."

The statement by Senator LANGER, relating to amendment numbered 3, is as follows:

I have submitted an amendment to require use of section 32 funds to help farmers rather than processors.

The Senator from North Dakota examined the authorities which are available for hog price support operations under existing legislation and the committee bills. The only alternatives now open are to purchase either live hogs or finished pork. For obvious reasons, the Government would be in no position to handle live hogs. This leaves purchase of pork and pork products as the only reasonable alternative method under existing authorizations which are not enforced by the committee bill.

There are several serious disadvantages in supporting hog prices by purchase of pork and pork products:

1. It is virtually impossible to assure support levels for products. There is no assurance that the purchase program will maintain prices of hogs at support levels for all producers. Certainly the purchase program now in operation has done nothing to maintain adequate levels to producers throughout the entire country. Hogs are sold by farmers at hundreds of points, away from central public markets, and the differentials between prices in different areas are constantly changing. This has to be taken into consideration in directing the purchase program. Even so, the program is supporting prices received by packers, while producers are not getting any established hog price-support level. Furthermore, Government purchases of pork necessarily are made only from federally inspected slaughterers; otherwise, the pork could not be moved across State lines or into foreign shipment. In addition, there frequently are temporary gluts at markets and no amount of Government buying of pork or pork products will maintain prices at support levels during those periods.

2. It is difficult and costly to handle, store, and dispose of the pork products acquired. The question of disposal of products acquired by a purchasing program would become very serious if the Secretary really tried to use them to raise hog producers income. After the products are acquired they must be held in cold storage, with the resulting high handling costs and spoilage risks. In a purchase program of sufficient size to help farmers, eventual disposal would have to be arranged primarily outside of the United States, since return of these products to the domestic market would at most times weaken the price—the very thing we would be trying to prevent by our purchases. Exports, however, could only be arranged at greatly reduced prices, and in some cases probably almost on a fight basis. The net result would be very little return on the disposal of the pork stockpiles. The money used in such price support could be very nearly a total loss.

3. Complex administrative machinery is required. The difficulties involved in handling large quantities of fresh and cured pork are quite apparent. There is the problem of setting up an adequate staff of experts in meat procurement to carry out the buying, storing, and selling operations required by a purchase program. The Department does not now have a large enough staff to man an

effective program and would face considerable difficulty in recruiting one.

4. Maintaining more nearly adequate pork prices would discourage increased domestic consumption. The other disadvantage of a purchase program—lack of incentive for expansion of consumer purchases—is extremely significant. Under the purchase method, operations should be geared to holding or raising market prices to the support levels. This undoubtedly would result in an increase, or at least a maintenance, of retail prices for pork products with the resulting discouragement to increased consumption. The Senators could not overemphasize this point. A large part of the thinking back of the production-payment idea is to make possible greater domestic consumption of the perishable products that come off our farms.

In contrast to the difficulties of purchasing operations, a marketing premium payment plan for hog supports would be relatively simple in operation. It would also avoid the chief weaknesses of a purchase program.

Definite support can be given to all hog producers throughout the country if hog prices are supported by market premiums payments. Whenever the market price for a certain period averaged below the announced support, the difference between the average market price and the support level would establish the rate of payment to producers who sold hogs for slaughter during that period. All producers who sold hogs for slaughter within the period would receive the same rate of payment per 100 pounds liveweight if he marketed his hogs at less than a specified rate. And under this plan, each individual hog producer would have full incentive to get the highest possible price for his hogs on the market.

The problems of disposal would be eliminated as to all hogs moving directly into market.

No highly technical staff would be required under the marketing premium payment program. The work would be handled by the field force to ASC farmer committees, and the administrative expense to the Government for making premium payments would be relatively small.

Under the premium payment method, prices of pork and pork products would seek the level determined by domestic and export demand, without governmental action. As a result, the entire output from the slaughter of hogs would move into domestic consumption channels at lower weights and into such export markets as would be available. Retail prices would be at levels which would increase consumer purchasing, broadening the demand for hogs.

If the Secretary determines, however, to use Government purchases from section 32 funds as a means to protect the income of hog raisers or other farmers, the pending amendment would require him to specify the exact support-level price to producers and require him to obtain a certification from the packer or other vendor that such support prices have in fact been paid to the farmers.

The amendment numbered 4, submitted by Mr. LANGER, is as follows:

On page 36, between lines 14 and 15, insert the following:

"SEC. 406. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"SEC. 394. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized, whenever he finds that the total supply of any farm commodity as of the beginning of the marketing year exceeds the reserve supply thereof, to proclaim the amount of the total supply, and beginning



on the first day of the marketing year next following and continuing throughout such year a national marketing quota shall be in effect for that commodity marketed during such marketing year: *Provided*, That the Secretary shall cause to be held a referendum by secret ballot of the producers of that commodity and if more than one-third of the producers of that commodity voting in such referendum oppose the quota, as proclaimed by the Secretary, the quota shall be ineffective from the date of the proclamation: *Provided further*, That subsequent to the proclamation of the total supply but prior to the date of the referendum the Secretary of Agriculture shall apportion the national marketing quota among the several States, counties, and individual producers in relation to the volume of farm marketings of the commodity by each in the immediately preceding 3 years: *Provided further*, That notwithstanding any other provision of law the marketing quota of any producer shall not be reduced below that required for an adequate family living from the production of that commodity in combination with other commodities produced on the farm and the Secretary of Agriculture shall establish an appropriate schedule of marketing quota percentage reductions from the 3-year base for individual producers such that larger producers will be required to take appropriately larger percentage cuts than smaller producers: *And provided further*, That the Secretary shall make known to every producer his individual marketing quota at least 10 days prior to the date of the referendum. In administration of programs initiated to carry out this section the Secretary shall utilize the services of the farmer committees established pursuant to section 8 (a) of the Soil Conservation and Domestic Allotment Act, as amended."

The statement by Senator LANGER, relating to amendment No. 4, is as follows:

I have submitted an amendment to S. 3183, which would require the Secretary of Agriculture to set farm marketing quotas, when they are in effect, on a specific bushelage or poundage base for each farmer instead of on an acreage base, for crops other than tobacco and peanuts. This quota would govern the volume a grower could sell without penalty in a given year, regardless of how many or how few acres he used to produce it. For tobacco and peanuts the acreage-allotment procedure appears to have worked fairly satisfactorily, and therefore should not be changed.

However, in high-risk wheat and cotton areas the producer never knows when he plants his acreage allotment what his production and sales might be. If his marketing quota is established as the production from allotted acres there is no basis, either nationally or on the individual farm, to know how much volume of sales will move into the commercial market.

A wheat farmer in North Dakota never knows when he plants whether his yield will be nothing, 2 bushels per acre, 15 bushels, or 22 or 30. With a 200-acre allotment, his marketing quota might thus vary from as little as 0 or 200 bushels to as much as 6,000 bushels from year to year. This is a most unstabilizing and completely unnecessary result of existing marketing quota laws for wheat, cotton, and rice.

The purpose of marketing quotas is to regulate the volume of sales of a commodity by charging a heavy penalty on sales over quota. A national determination is made as to what volume of the commodity will be needed for domestic and export needs in the year ahead. This is expressed in bushelage or poundage terms. This national marketing quota should not be translated into a national acreage allotment but should be distributed to States and counties and individ-

ual farmers as a specific marketing quota. If no producer exceeded his marketing quota the volume actually marketed would equal the national marketing quota.

Under existing law, the volume actually marketed from allotment acres may be substantially below or substantially above the national marketing quota, depending upon acreage yields. In crops and areas where yields do not vary greatly from year to year this poses no great difficulty. But as droughts in recent years, reaching even into Georgia and Virginia, have indicated, the acreage allotment device is a blunt and clumsy method at best, even in humid areas.

For the individual producer, except for tobacco and peanuts, basing marketing quotas on acreage allotment simply does not make much sense, nor does it allow him to fit the program effectively into his farm-management plan. If the individual wheat producer, for example, knew before planting time that his quota was 4,000 bushels, he would be able to choose the acres on which he wants to try to produce it. One year he might choose to use 200 acres of his most fertile land and another year to use 400 acres of his less fertile soil. If growing conditions looked especially promising, he might wish to plant 500 acres of his land into wheat, knowing full well that at average yields his total production that year would greatly exceed his marketing quota. He would market his quota volume and would store on the farm the excess production for sale in a later year when due to weather, disease, or pests his yields might be greatly reduced.

A determination is made as to the volume of the commodity which is marketed will fill export needs, if any, preserve an adequate national stockpile of safety reserve of the commodity, and fill the expressed needs of domestic United States consumers at a price that will be consistent with the continued production of a sustained abundance of the commodity, and consequently will prevent farm bankruptcy, reduced farm-family living standards, and the development of a condition of chronic poverty on American farms.

Under a farm-marketing quota system each farmer is apprised, well before planting or breeding time, of the amount of the commodity he is authorized to market at the higher or parity price, determined by legislation or agreement as being a price that is fair to both producers and consumers. If the farmer sells only this volume of the commodity he can do so at support price. If he wants to produce and sell more than the determined volume he may do so, but only by selling all of his marketings of that commodity at a much lower average price. The lower average price in this case results from two factors: first, any sales above the marketing quota must be made subject to the payment of a fee, or penalty, for the privilege of selling above quota. This fee or penalty is deducted from whatever price the farmer receives. Moreover, the entire marketings of that commodity by the farmer who exceeds his marketing quota must be sold at the market price, which may be lower than determined support price owing to the operation of production payments as a method of support or because market price has fallen below the announced support price available through Government loans, purchase agreements, or purchases.

Marketing quotas, with or without acreage allotments, are not a system of federally imposed farm production controls. Any farmer can produce and sell any amount of the commodity that he wishes. But to do so he must be willing to accept a lower return per unit than that made available to the farmer who holds his annual marketing within his agreed upon quota. First, somebody must decide under the law the total national quota that fits the circumstances of the particular year. Second,

somebody must make known to each farm family the information as to its share of the national quota. Third, somebody must hold a referendum or vote to determine whether the producers of that commodity wish to impose marketing quotas upon themselves that year. Fourth, if quotas are approved by producers, somebody must administer the machinery that makes provisions effective with respect to the marketings of each producer. Fifth, maintenance of the higher or support price or return requires the operation of a Federal farm price-support program. Sixth, enforcement of the lower of the two prices requires both withholding of support-program eligibility and the imposition and collection of fees or penalties on over-quota marketings of individual producers.

It is entirely possible that all of these needed functions could be performed by an organization of producers to which certain governmental powers were granted by the Federal Government. However, experience, logic, and commonsense all indicate that the first three functions listed above can most efficiently be performed by the United States Department of Agriculture and that the latter three involve the exercise of the spending and police powers of government, which probably should not be transferred by the Government to any private group. Moreover, since the effective operation of marketing quotas contribute to the national welfare by maintaining farm income at a level where farmers can make their pro rata contribution to an expanding full-employment economy, can conserve and improve their soil and water resources and farm equipment and thus insure a continuing ability to produce a sustained abundance of food and fiber, the administrative cost of the marketing-quota program is a just charge upon the general Federal revenues and not upon the producers of a single farm commodity.

Representative BURDICK and the Senator from North Dakota have been trying for many long years to bring about enactment of legislation that would substitute bushelage and poundage marketing quotas for acreage allotments. We were gratified, though surprised, when our President joined us after all these years in this recommendation. I urge my colleagues in our party to join with our President on this. When the Senator from North Dakota and Secretary Benson agree on something as improvement in the farm program, you certainly should not oppose it. Here you can demonstrate the broadest kind of party unity. I urge you and welcome you to join President Eisenhower and me in giving to farmers the kind of marketing-quota program they want and which makes the most sense from a national standpoint, too.

The amendment, No. 5, submitted by Mr. LANGER, is as follows:

On page 4, after line 24, add the following: "Sec. 108. The Agricultural Act of 1949 is amended by adding at the end thereof the following:

"SEC. 421. Notwithstanding any other provision of law, the maximum value of price-support loans that may be extended to any one farm-operator family in any year shall not exceed \$35,000."

The statement by Senator LANGER, relating to amendment No. 5, is as follows:

The Senator from North Dakota hopes to have the attention of the Senators of his own party. The head of our party, the President of the United States, has urged us to put a dollar limitation on price support loans. Our own campaign committees have put advertisements, carrying the President's picture, in all the farm magazines in the Middle West. All these full page advertisements reiterate the President's recommenda-



tion that a dollar limit be placed on price support loans.

The pending amendment, introduced by the Senator from North Dakota, would set \$35,000 as the maximum amount of support loan for any one operator in 1 year. Less than 1 percent of the farm units in the Nation would be affected by this limitation.

Yet establishing this limitation would stop using the power of the Federal Government to subsidize competition of our largest factories-in-the-field against family farmers. I urge my colleagues on this side of the aisle to follow our President and enact this limitation on eligibility for price support loans of \$35,000 as incorporated in the pending amendment.

#### NOTICE OF HEARING ON S. 3091, TO AMEND THE RUBBER PRODUCING FACILITIES DISPOSAL ACT

Mr. FULBRIGHT. Mr. President, I desire to give notice that a public hearing will be held by the Subcommittee on Production and Stabilization of the Committee on Banking and Currency on the bill (S. 3091) to amend the Rubber Producing Facilities Disposal Act so as to permit the sale or lease of the alcohol butadiene plant at Louisville, Ky. The hearing will be held on February 28, 1956, in room 301, Senate Office Building.

All persons who desire to appear and testify at the hearing are requested to notify Mr. J. H. Yingling, Chief Clerk, Senate Committee on Banking and Currency, 303 Senate Office Building, Washington, D. C., telephone, National 8-3120, extension 865, as soon as possible, and, in any event, before the close of business on Monday, February 27, 1956.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. CLEMENTS:

Editorial paying tribute to Senator McClellan, published in the New York Daily News.

By Mr. WATKINS:

Address entitled "Lead Time in Military Strength," delivered by Adm. H. G. Rickover before Society of Business Magazine Editors, in Washington, D. C., on January 12, 1956.

By Mr. WELKER:

Statement entitled "American Military Personnel in Foreign Courts," made recently by Maj. Gen. Julius Klein before the House Committee on Foreign Affairs.

Editorial entitled "Assignment for MacArthur," published in the Korean Republic, Seoul, Korea, January 20, 1956, which will appear hereafter in the Appendix.

By Mr. ROBERTSON:

Article entitled "Segregation in Public Education—A Study in Constitutional Law," written by Clarence O. Amonette of the California bar.

By Mr. JOHNSON of Texas:

Letter written by Robert S. Marks to his parents, Mr. and Mrs. Ben D. Marks, of Corpus Christi, Tex.

By Mr. BYRD:

Article entitled "Interposition: Its History Is a Study of American Political Philosophy," written by Mr. Felix Morely, and published in the Wall Street Journal of February 16, 1956.

By Mr. STENNIS:

Article entitled "Zealotry and the School Issue," written by Dorothy Thompson, and published in a recent issue of the Washington Evening Star.

By Mr. THYE:

Article entitled "Only American Aid Can Save Southeast Asia," written by John Cowles, and published in the Minneapolis Star Tribune of February 19, 1956, which will appear hereafter in the Appendix.

By Mr. HUMPHREY:

Article entitled "The Next Step in History," written by Arnold J. Toynbee and published in Look magazine for November 18, 1952.

Article entitled "Local 1145 Endorses Stevenson," published in the March issue of Local 1145, Honeywell News.

By Mr. THURMOND:

Article by Arthur Krock entitled "More Portrayal of History by Television," published in the New York Times of February 21, 1956.

Article entitled "Segregation Hasn't Helped Either Race in Capital, Newsman Finds," written by A. H. Harrigan, and published in the February 21, 1956, issue of the Charleston (S. C.) News and Courier.

Article entitled "Patient Work of South Nullified by Extremism," written by Dorothy Thompson, and published in the Columbia (S. C.) State on February 21, 1956, dealing with the subject of integration in the schools, which will appear hereafter in the Appendix.

#### CENTENNIAL OF THE BIRTH OF WOODROW WILSON — ADDRESS BY FORMER SENATOR CONNALLY BEFORE THE GENERAL ASSEMBLY OF VIRGINIA

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the body of the RECORD a remarkably fine speech made by former Senator Tom Connally, of Texas, before a joint session of the General Assembly of Virginia, in the hall of the house of delegates at Richmond, in commemoration of the centennial year of the birth of Woodrow Wilson.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF VIRGINIA,  
GENERAL ASSEMBLY.

House Joint Resolution 12

Joint resolution inviting former Senator Tom Connally to address a joint session of the General Assembly

Whereas the year 1956 marks the 100th anniversary of the birth of Woodrow Wilson, the Virginia-born President of the United States during the time of the First World War, and it is fitting that this centennial should be observed by the General Assembly of Virginia: Now, therefore, be it

*Resolved by the house of delegates (the senate concurring),* That the Honorable Tom Connally, of Texas, for many years an illustrious representative of that State in the Senate of the United States, is hereby cordially invited by the Senate and the House of Delegates of Virginia to address a joint session of the general assembly to be held in the hall of the house of delegates at the capitol on February 21, 1956, at 2 p. m., in commemoration of the centennial year of Woodrow Wilson; and

*Resolved, further,* That the Honorable HARRY FLOOD BYRD, senior Senator from Virginia in the Congress of the United States, is hereby invited to accompany former Senator Connally on this occasion and to introduce him to the joint session of the General Assembly of Virginia; and

*Resolved, further,* That the clerk of the house of delegates is directed to transmit a copy of this resolution to former Senator Connally and Senator BYRD.

Agreed to by the house of delegates, January 19, 1956.

E. GRIFFITH DODSON,

Clerk of the House of Delegates.

Agreed to by the senate, January 20, 1956.

E. R. COMES,

Clerk of the Senate.

ADDRESS BY FORMER SENATOR TOM CONNALLY, OF TEXAS, BEFORE A JOINT SESSION OF THE VIRGINIA GENERAL ASSEMBLY

The Congress of the United States by Joint Resolution 147 established a Commission to be known as the Woodrow Wilson Centennial Celebration Commission.

The General Assembly of Virginia also established a commission to plan a centennial celebration of the birth of Woodrow Wilson and to invite all the people of the United States to join therein.

I feel greatly honored to appear before the General Assembly of the State of Virginia and to address this distinguished body in its observance of the 100th anniversary of the birth of Woodrow Wilson in Staunton, Va., and to remind the people of the United States and of the world of the sublime achievements and the great life and service of Woodrow Wilson.

I first saw Woodrow Wilson in the fall of 1911 at Dallas, Tex., where he delivered an address. This was before his nomination for the Presidency while he was on a tour through the country. I came from Texas to attend his first inauguration and heard his magnificent address at his installation. I saw him again on March 4, 1917, at his second inauguration. I also, of course, saw him in 1917 when he addressed Congress advocating United States entrance into the World War. In Paris in 1919 during the Peace Conference, I, along with a number of other Congressmen, saw him where he received us at his residence and freely and widely conversed with us regarding the progress of the conference. I saw him again when he returned to Washington from Paris for a short time, and conferred with members of the Senate Foreign Relations Committee and of the House Foreign Affairs Committee. Of course, I saw him on a number of occasions at state dinners and other functions.

Woodrow Wilson was the son of a Presbyterian minister, his mother was the daughter of a Presbyterian minister in England. His undergraduate education was in Davidson College, North Carolina, and Princeton, New Jersey. Later, at the University of Virginia, he studied law, and at Johns Hopkins University he studied jurisprudence and politics. Most of his college career was in Southern States. He attained a reputation for clear and definite interest in and knowledge of government and public affairs. When 29 years of age his career as a college student came to an end. For 1 year he practiced law in Atlanta, Ga. He then began the profession of teaching American youth politics and government at Bryn Mawr College, Wesleyan College, Johns Hopkins University, and Princeton University. He became a profound and distinguished student of history and government and a renowned author in those fields.

He became the author of seven books on political and historical subjects. The first was his outstanding volume on Congressional Government. His literary productions attracted the admiration of scholars and students and received wide popularity among the public. As a boy it is said that his ambition was to become a Senator from the State of Virginia. He became the president of Princeton. His widened prestige embraced all the fields of university life and institutions of liberal culture. As president of



candidate therefor, or any officer or employee of the executive branch of the Government, through campaign contributions, political activities, lobbying, or any and all other activities or practices.

SEC. 2. (a) The special committee shall consist of 8 members to be appointed by the Vice President, 4 each from the majority and minority Members of the Senate, and shall, at its first meeting, to be called by the Vice President, select a chairman and vice chairman.

(b) Any vacancy shall be filled in the same manner as the original appointments.

SEC. 3. (a) The special committee shall report to the Senate by January 31, 1957, and shall include in its report specific recommendations (1) to improve and modernize the Federal election laws; (2) to improve and strengthen the Federal Corrupt Practices Act, the Hatch Act, and the Federal Regulation of Lobbying Act, and related laws; and (3) to insure appropriate administrative action in connection with all persons, organizations, associations, or corporations believed to be guilty of wrongdoing punishable by law.

(b) Upon the filing of its report the special committee shall cease to exist.

SEC. 4. (a) For the purposes of this resolution the special committee is authorized to (1) make such expenditures from the contingent fund of the Senate; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpoena or otherwise the attendance of such witnesses and production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony either orally or by deposition; (7) employ on a temporary basis such technical, clerical, and other assistants and consultants; and (8) with the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, employ on a reimbursable basis such executive branch personnel as it deems advisable.

(b) For the purpose of taking testimony the special committee may provide that fewer than 5 but not less than 2 members shall constitute a quorum, providing that both the majority and minority are represented.

SEC. 5. The expenditures authorized by this resolution shall not exceed \$350,000 and shall be paid upon vouchers signed by the chairman of the special committee.

### NATURE'S INTERNATIONAL FOOD BANK—A PERPETUAL INSURANCE AGAINST HUNGER

Mr. WELKER. Mr. President, before the distinguished senior Senator from Louisiana [Mr. ELLENDER], chairman of the Agriculture Committee of the Senate, proceeds with his profound debate on the agricultural bill, let me say to the Senate that in a few days, at a convenient time, when the issue is timely, I shall address the Senate on the subject of what can be done in the Antarctic to establish nature's food bank. In my opinion, there will be presented an interesting and unique proposal which I think might very well do away with our farm surplus problem, be of tremendous financial saving to our taxpayers and do away with the basic cause of the depressed farm income.

I shall have something to say with respect to the very fine article written by Adm. Richard E. Byrd, who wrote favorably on this subject under date of January 29, 1956. He is the brother of our

distinguished colleague, the senior Senator from Virginia [Mr. BYRD], who is present in the Senate at this minute.

Prior to addressing the Senate on that subject, I ask my distinguished colleague from Louisiana to study the remarks made by Admiral Byrd, and to help me, if he can, upon the all-important problem of farm surpluses. I have already had the benefit of the experience and wisdom of Admiral Byrd, who is now on his fifth mission to the Antarctic. The senior Senator from Virginia informs me that Admiral Byrd is on his return to Washington, and that I can renew my acquaintance with him and further learn of the suggested plan to use nature's Antarctic as a perpetual deep freeze for our Nation's farm surplus.

As I said in the beginning, this is a revolutionary plan. I ask all Senators to await my presentation of this plan.

I ask unanimous consent that the article by Admiral Byrd, which appeared in the Washington Evening Star magazine for January 29, 1956, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ADMIRAL BYRD SAYS THE SOUTH POLE CAN BE THE WORLD'S ICEBOX

(By Adm. Richard E. Byrd, as told to A. E. Hotchner)

Question. Mr. Richard B. Shoemaker, of Los Angeles, writes: "Dear Admiral Byrd, I realize that the Antarctic has scientific and perhaps strategic value, but can it ever have any really practical significance for us?"

Answer. The fact that the Antarctic is of importance scientifically, automatically means that it has practical significance. The comprehensive scientific program to be carried out during world science's international geophysical year (1957-58) will, I am confident, yield information of incalculable value.

Just how much it would be worth to agriculture, to aviation, to radio communications, and other phases of the overall world economy if, as a result of our studies, we are able to predict weather with, let us say, a 20 percent greater accuracy.

The Antarctic has economic significance, too, because we have found coal there and indications of other minerals. In my opinion, it is an untouched reservoir of natural resources.

But apart from these considerations, and perhaps more immediately, there is one very practical use to which we could put the Antarctic. In my opinion it would be entirely feasible to employ the Antarctic as a vast freezer where we could store the enormous food surpluses we now have in this country. I offer this plan for discussion, knowing that it presents legal and practical problems which have to be solved. It, of course, reflects my personal views and does not necessarily represent the views of the Department of Defense or any other Government agency.

#### FIRST AID FOR FAMINE

Today our storage facilities are adequate—but barely adequate. And quite possibly there may come a day when the Government will decide to stockpile much more food against the possibility of military or natural disasters.

Also such a stockpile could be made available through the years to any other country hit by famine or disaster.

Actually the solution of the problem of what to do with surplus food is important to our economy and to the world's general

welfare. In the fiscal year of 1955, the United States Government spent \$332,929,579 to store surplus foods in warehouses in this country. Many more millions are spent annually to hold down the rate of food production. Our warehousing facilities, especially for food requiring refrigeration, are taxed to capacity, and we may soon be faced with the necessity of spending more millions to build new storage plants.

This may be a needless waste because Antarctica is an uncomplicated, unlimited freezer, as scientifically perfect as you could ask. In 1934, on my second expedition, we dug down to a Little America hut where we found some food that had been left on the table when the first expedition departed in early 1930. The food had been there for almost 5 years. There was part of a roast beef, potatoes, bread, butter, and other foods. We unfroze them and had a fine meal. The roast beef was probably as good as the day it was cooked.

In 1947, on our fourth expedition, we again had an adequate meal of food we took to Little America in December 1928. On the same expedition a group of men came upon a cache of kippered herrings and biscuits which had been left at Shackleton's old base on his 1914 expedition, and the men who ate that 33-year-old food reported it was in perfectly good condition.

Food deterioration and bacteriological activity go hand-in-hand. Dr. Paul A. Siple, who has been with me on all my expeditions to the Antarctic, made a study of the amount of bacterial life present in the snow. He came up with the startling result that, on an average, there is only one bacterium per pint of snow. In its frozen state these bacteria would have been completely inactive. When you consider that there are millions, perhaps billions of bacteria in a pint of the water which we use in our refrigeration warehouses, you can see why the Antarctic is a vastly superior icebox.

#### SNOWBALLS ARE OUT

Below the snow line, as far south as Little America, temperatures never get above freezing. Contrary to popular belief, the temperature within the Antarctic Circle averages about 40 degrees colder than in the areas within the Arctic Circle. During my solitary winter vigil at Advance Base in 1934, I succeeded in recording a temperature of 83 degrees below zero.

It is this consistently cold climate, plus the presence of névé, that makes the Antarctic so ideal for food storage. Névé, which covers Antarctica, is partly ice, partly snow, a granular substance that crumbles in your hand and doesn't pack into a snowball. It is an ideal cover for foodstuffs, for it does not pack down and become a crushing force.

As far as the physical process of storing the food is concerned, the Navy has a piece of equipment which would be ideal for the job. It is a machine that digs a continuous trench in snow. In 1 day it can dig a trench 12 feet wide, a half-mile long and 6 feet or more in depth. Equipment for unloading and loading the food is also available or could easily be adapted from existing devices. The Navy's Flying Fox is a mechanically driven loop of rope that could automatically haul the food along the trenches and deposit it wherever desired. Wheat and other grains could be blown into the trenches through air tubes. Winds would take care of covering the trenches with névé.

As you can see, the cost of storing the foods would be negligible. The only big expense in connection with the project would be the transportation of the food from the United States to the Antarctic Continent. Some of the food could possibly be hauled by Navy transports, some of it could be let out to private shipping concerns. But let's just see how expensive an operation this would be.



We have now, for example, approximately 280 million pounds of surplus butter in storage, with an estimated value of \$175 million. The Government paid \$8,500,000 for the storage of this butter in 1955. The United Fruit Co. estimates it could haul all this butter in 35 refrigerated ships, at a cost of something like \$250,000 a ship. This adds up to \$8,750,000 which is slightly more than the Government spends in 1 year to store that butter in this country. When you consider that once the butter is put underground at Antarctica there are no charges on it for the 5 or 10 or 15 years it may remain there, you will appreciate why I feel that the Antarctica freezer proposal at least warrants serious consideration. The cost of transporting other foodstuffs, as compared to the cost of storing them in the United States, follows the butter example.

#### ONE-HUNDRED-YEAR EXPERIMENT

Last year it cost the Government \$185 million to store wheat, \$54 million to store corn, \$6 million to store cheese, \$13 million to store barley. Altogether, we have almost \$6 billion worth of surplus crops in storage in the United States, and we are paying a whopping annual fee for their upkeep.

I have already discussed this proposal with some Congressmen and Government officials and they have all shown interest in its possibilities. I intend to recommend to the National Security Council that we undertake the necessary scientific and economic investigations preliminary to such a program. During my current expedition to Antarctica my associates and I will continue our research on the subject. Among other things we plan to bury a cache of 100 loaves of bread; every year over the next 100 years, 1 loaf will be dug up and examined for flavor, nutrient, vitamin content, and other factors. We won't be here to finish the experiment, but our great-grandchildren will.

It is my strong conviction that if we could create a permanent icebox for our food surpluses in Antarctica, it would not only save us much money and take pressure off the entire problem of surpluses, but it would also turn out to be a great act of international good will.

This is one of several reasons why I believe the Antarctica is important to our national future and to the whole of mankind.

#### AGRICULTURAL ACT OF 1956

The PRESIDING OFFICER. Under the special order, the Senate will now proceed to the consideration of Senate bill 3183, to provide an improved farm program.

The Senate proceeded to consider the bill (S. 3183) to provide an improved farm program, which has been reported from the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ELLENDER. Mr. President, I hesitate to start the debate on the important measure now pending so late in the afternoon, and on Washington's Birthday. However, I think it is of such importance that we conclude the debate on the bill at an early date that I am willing to start this afternoon.

Mr. President, I express the hope that the Senate will continue to debate this measure without too much interruption. It is incumbent upon us to have a farm bill on the President's desk by March 5, or at least by March 10. I may be overly optimistic, but if the bill is to bring any benefits to our farm economy during the 1956 crop year, it should be enacted into

law and signed by the President not later than March 15. All farmers are now waiting on the Congress to act before determining what they should do in order to comply with the requirements of the 1956 Farm Act.

Mr. President, first I wish to present to the Senate a general statement on the bill. I shall reserve a section-by-section analysis of the bill until after I have completed my general statement. I wish to state that I shall welcome interruptions at any time, and I also wish to inform my colleagues that I shall be available at my desk at all times during the debate on this measure, so that I may answer any questions which Senators desire to propound to me, whether or not I have the floor.

The bill before the Senate for consideration today represents months of detailed study, lengthy hearings, and much midnight-oil-burning by individual members of the Senate Agriculture Committee, as well as its staff. This is, truly speaking, a bipartisan bill. It represents the best judgment of a majority of the members of the committee.

I wish I could tell Senators that the bill under consideration has the unanimous and unqualified support of every 1 of the 15 members of the Senate Agriculture Committee. Unfortunately, that is not the case. On many of the proposals contained in the bill, the committee members voted unanimously in support of them. On the other hand, there are other items within the bill that are highly controversial and on which the committee membership split widely, some of the sections of the bill having been retained by the narrow margin of one vote. I am glad to state, however, that partisan politics played no part in the voting on any issue. A primary example of the nonpartisan nature of the voting is the 8 to 7 committee approval of the provision calling for 90 percent of parity price supports on the basic commodities for the years 1956 and 1957. On this highly controversial issue, 5 Democratic members voted for a return to rigid price supports, with 3 Democratic members voting against them; while 3 Republican members of the committee voted for the 90 percent provision, with 4 Republican members voting against it.

As Members of the Senate will recall, the House of Representatives last year passed a bill reinstating mandatory 90 percent price supports on the basic commodities—that is, on corn, wheat, rice, cotton, and peanuts. Tobacco is now supported at 90 percent of parity. When the bill came to the Senate, it was considered carefully by the Senate Agriculture Committee, and after thorough discussion and debate among the members of the committee, we decided—by a vote of 8 to 7—to not report the bill favorably to the Senate, but, instead, to hold extensive hearings in the fall of 1955 after the Congress had adjourned, with a view toward drafting a new farm program for submission to the Congress early in 1956. I was one of the members of the committee who voted for holding hearings in the fall, and against reporting to the Senate for consideration in 1955, H. R. 12, the 90 percent price support bill.

Mr. President, last October the Senate Agriculture Committee hit the road. We traveled throughout the length and breadth of this great land of ours, holding hearings in all of the important agricultural centers of the country. We met in 17 cities and we heard testimony from approximately 1,000 witnesses, with all States of the Union but 4 represented. We encouraged and received an abundance of testimony from grassroots farmers. As chairman of the committee, I tried to keep the hearings on a strictly nonpartisan and nonpolitical basis and to hear representatives and witnesses from all sections of the country and all segments of agriculture, regardless of their political or farm organization affiliations.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ELLENDER. I am glad to yield for a question.

Mr. MUNDT. As a minority member of the Committee on Agriculture and Forestry, I should like to say that our chairman not only tried to keep the hearings on a strictly nonpartisan basis, but that he succeeded 100 percent in keeping politics completely out of the hearings, not only as he conducted them throughout the length and breadth of the country during the summer and fall, but throughout the deliberations we had during the many long weeks of the current session before we finally voted, at the mystic hour of midnight, approval of the present pending farm bill.

I believe it should be recorded in the RECORD for all to know that there was not a single straight party line vote on any of the many issues involved in the consideration of the farm bill at any time during the current deliberations, and that although the result sometimes was a vote of 8 to 7, sometimes 9 to 6, sometimes 10 to 5, there never was a straight party line vote.

Mr. ELLENDER. I thank my good friend from South Dakota.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I should not like to have this opportunity pass without expressing my commendation and appreciation to the chairman of the Committee on Agriculture and Forestry and to the other members of the committee who were kind enough to hold a meeting in Hutchinson, Kans. I can say very sincerely that the distinguished chairman [Mr. ELLENDER], the Senator from North Dakota [Mr. YOUNG], the Senator from Minnesota [Mr. THYE], and the Senator from Kansas [Mr. SCHOEPPEL], not only conducted the hearings in a fine manner, but the chairman was extremely patient. There were more than a hundred witnesses, and he continued the session until 8 o'clock. I wish to commend him and the other members of the committee for the fine way in which the hearings were handled.

Mr. ELLENDER. I wish to say to my good friend from Kansas that it was a pleasure for me to do that. On one occasion witnesses had come as far as 800 miles to be heard, and I, for one, would have remained all night in order to hear them, if that had been necessary.



There is one other thing I wish to say to my good friend, namely, that the hearings pointed up, through the testimony of many of the witnesses who appeared before us, the many facets of the difficulties which confront us, and which has made it impossible to report a bill that would please everyone. I hope the work of the committee will meet with the approval of the majority of the Members of the Senate.

Mr. President, I feel rather proud of the record which we made. The first hearing was held in St. Paul, Minn., on October 24, and the last one took place in Utica, in the State of New York, on November 19.

The schedule which our committee undertook was a rugged one; it was back-breaking, to say the least, yet, all the members of the committee cooperated wonderfully, and, as a result, I feel in saying that that hearings which we conducted were some of the most successful and most informative that have been held on farm legislation during my tenure of over 19 years on the committee.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I should like to say to the distinguished chairman of the committee that never in my experience in the Senate has a committee spent so much time to inquire into any subject as has the Committee on Agriculture and Forestry in this instance. Long hearings were held in the West, and hearings were also held in Washington, which ran until late in the afternoons. I know of no chairman of any committee at any time who has been more diligent in pursuing his duty than has the chairman of the Senate Committee on Agriculture and Forestry. I marveled oftentimes at the ruggedness of the Senator from Louisiana which enabled him to stand such long hours.

Mr. ELLENDER. I wish to thank my good friend from North Dakota.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Coming from a far distant part of the Nation, as does the Senator from North Dakota, I wish to echo his sentiments fully by saying that I have never seen such a devoted job done by any one Senator in the many years I have been a Member of the Senate, as was performed by the distinguished chairman of the Committee on Agriculture and Forestry in the course of the hearings, not only last year and this year in Washington, but also throughout the country.

I am proud to be associated with him and the committee. I felt the work done was so clearly nonpartisan and bipartisan as to command the confidence of the agricultural public wherever the hearings were held. I wish to say for the RECORD that in my judgment the distinguished senior Senator from Louisiana has rendered outstanding service to the Senate and to the people of the United States in connection with the bill.

Mr. ELLENDER. I thank the Senator from Florida.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I know it must be very satisfying to the chairman to hear the testimonials given to him, particularly in a year when he is not even up for reelection so they must come straight from the heart.

I should like to add my testimonial to those of the other members of the committee. I know how anxious the Senator is to have the proposed legislation come to a successful conclusion. I simply wish to say that I share with him the very earnest hope that we shall be successful in getting really constructive legislation through the Congress in time to have it effective at an early date.

Mr. ELLENDER. I thank my colleague.

Mr. HICKENLOOPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. Mr. President, on behalf of myself, the Senator from Vermont [Mr. AIKEN], and the Senator from Indiana [Mr. CAPEHART], I submit an amendment consisting of several items, so that it may be printed and lie on the table in order that every Senator may have a chance to study it.

Mr. ELLENDER. Does the amendment relate to corn?

Mr. HICKENLOOPER. It relates to corn. There may be other Senators who desire to join in sponsoring the amendment, and I should like to afford an opportunity for any Senator who wishes to cosponsor it to do so.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. HICKENLOOPER. Mr. President, I can testify to the heroic work and the heroic efforts of the distinguished chairman of the Committee on Agriculture [Mr. ELLENDER]. I have never known a chairman of any committee who has worked harder or has devoted more time and greater effort to bring together divergent views on the very troublesome farm problem. I say that without any disrespect to other chairmen. I sincerely honor his efforts in this regard. While there are one or two little matters on which the chairman of the committee and I do not completely agree, I should like to say that he has approached his duties not only with the utmost sincerity, but with the utmost thoroughness. I appreciate the opportunity of serving with the distinguished Senator from Louisiana.

Mr. President, I now send to the desk the amendment to which I have referred, containing several items which I hope may eventually be considered en bloc, because they go to the same situation, namely, that affecting corn. My amendment I believe will correct what I think are the deficiencies in the bill as reported by the Committee on Agriculture and Forestry, and it will give the diversified agriculture of the Midwest an opportunity to participate on an equality with other sections of the country in the so-called soil bank and conservation reserve.

I wish to say, also, that there are other Members of the Senate who have asked

to join in the amendment. I have not had time to submit the amendment to them, but I ask that those who care to join in the amendment may be permitted to add their names as soon as they have had an opportunity to examine it in final form.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. KENNEDY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. KENNEDY. Speaking in behalf of some of the witnesses who appeared at the hearings in Montpelier and other places in New England, I wish to testify that they are most appreciative of the manner in which the hearings were conducted.

Mr. ELLENDER. I thank the Senator from Massachusetts.

Mr. SCHOEPEL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SCHOEPEL. Mr. President, I should like to say to the distinguished Senator from Louisiana, with whom I have the privilege of serving on the committee, that in arranging the schedule for hearings on the bill, I think, in his good judgment, he chose the sections of the United States which more nearly typified the problems involved. As the Senator has indicated, the committee held a great many hearings. It was a pleasant experience for me to participate in those hearings, conducted as they were in a fine manner and in a most impartial way. The printed record of the hearings, which is available to all Senators, will reflect the source of information which we received. Many, many views were expressed. I am sure that there was not a witness who appeared at any of the hearings who did not recognize the painstaking effort of the chairman of the committee to hear all the witnesses, even though the hearings ran into the early and sometimes the late hours of the night.

I wish to associate myself with the other members of the committee, and on behalf of those who appeared in my own State and who had the opportunity to testify, in expressing my appreciation for the manner in which the hearings were held.

I know that the chairman and the majority of the committee, in their wisdom and judgment, hold certain views, as to many of which some Senators might have some shades of difference in our initial approaches to the bill.

I am at present giving consideration to 3 or 4 amendments I may wish to offer, by request, for printing and for consideration, because I feel that as to certain of the amendments offered there should be an opportunity afforded the Senate to pass upon them one way or the other.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Speaking not as the Presiding Officer of the Senate, but speaking as a member of the Committee on Agriculture and Forestry, the Chair knows that our chairman must have a feeling of satisfaction after hearing all the commendations which have been bestowed upon him today, which were well deserved.



At one time during the hearings it seemed to me that the chairman was almost a slave driver, because he kept us at work many hours each day and worked us overtime so much. We did not work merely a 40-hour week. Not only did we work until midnight on one occasion but on some of the other nights we worked until 9 or 10 o'clock, trying to solve the problems presented to us in order to report the bill promptly. The Senator from Louisiana is highly to be commended.

Mr. ELLENDER. Mr. President, I hope all the fine statements which have been made about me will result in the passage of the bill as it was reported.

Mr. STENNIS. Mr. President, on behalf of Senators who are not members of the Committee on Agriculture and Forestry, I wish to express very deep appreciation for the splendid work of the chairman. I join in every word of tribute which has been uttered about him.

Also I desire to pay tribute to and to thank every individual member of this very important, hard-working committee. I do not know of any parallel to the work which has been done on the farm problem, especially during the last year.

I wish the people of the United States, who are so vitally dependent on agriculture, could fully realize, as we do in the Senate, the committee's deep concern and anxiety about and their unstinting devotion to the problems of agriculture. I wish the people could know of the sincere efforts of Senators to understand fully those problems and of their attempts to solve them. This is true of the entire membership of the committee. I commend and thank them.

At the same time, I wish to pay tribute to the chairman of the committee for his persistence and his willingness to work. He is one of the most valuable Members of the Senate, not only in his capacity as chairman of the Committee on Agriculture and Forestry, but also as a member of the Committee on Appropriations. Because of his unselfishness and his capacity for work, he is a great asset wherever he serves.

Mr. GORE. Mr. President, I wish to concur in the remarks of the Senator from Mississippi, provided the Senator from Louisiana did not interpret them as a commitment on the part of the Senator to vote as the Senator from Louisiana will vote on every amendment. Even if he did so interpret them, I would still want to express my genuine appreciation for the diligent work the chairman has done, and also to say that I hold him in the highest admiration. I have never heard any of his colleagues, upon discussion or mention of the Senator from Louisiana, fail to do likewise.

Mr. ELLENDER. I thank my good friend. These compliments are very encouraging. I hope that when I present myself for reelection in 1960, I will be able to use all these tributes in my campaign.

Mr. CAPEHART. Mr. President, although I am not a member of the Committee on Agriculture and Forestry, I wish to express my commendation of the chairman of the committee. I have consulted with him quite often recently in

respect to proposed farm legislation and other farm matters, and he certainly has been most cooperative. I appreciate it.

Mr. LANGER. Mr. President, I hope the Senator from Louisiana will be a candidate for reelection not only in 1960, but also in 1966, 1972, 1978, and 1984.

Mr. ELLENDER. I thank the Senator from North Dakota.

Mr. President, the committee received a wealth of information, recommendations, and criticisms. One thing stood out clearly as a result of the hearings: There was an urgent need for immediate and effective action to restore to the American farmer a reasonable share of the consumer dollar, and to increase his income. The grass-roots farmers told us in no uncertain terms that they were worried and, in some cases, frantic because of the predicament they found themselves in. They were worried because they were caught in a squeeze, Mr. President, in a price squeeze, and were helpless, on their own, to combat it. They complained to us that the prices of the things they have to buy have gone up steadily in recent years, while, on the other hand, the prices of the things they have to sell, and on which their livelihood is dependent, have gone down substantially. Farm profits, they told us, have decreased in recent years to the vanishing point, and, in too many cases, operating losses were sustained. Faced with a drastic decline in their gross and net income, our farmers have, of course, been forced to tighten up in their purchases of farm equipment, household goods, and other consumer items. Thus, there has been not only a decline in the prosperity of the farmers, themselves, but the impact is being felt right on down the line amongst the merchants, the laboring people, the service trades, and other segments of our population.

As I have stated, Mr. President, the field hearings that the Senate Agriculture Committee conducted were concluded late in November of last year. After our hearings I wrote letters to the leading farm organizations, asking for their help and suggesting that they try to agree on some of the programs outlined by the committee.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a form letter which the committee sent to various organizations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
COMMITTEE ON AGRICULTURE  
AND FORESTRY,  
November 21, 1955.

DEAR ———: The Agriculture and Forestry Committee of the Senate, of which I am chairman, has just concluded extensive hearings on the farm situation at the grassroots, and I am happy to say that these hearings were very fruitful and conducted, I believe, in a manner that was more or less satisfactory to all parties concerned. All witnesses who asked to be heard were given attention, and an opportunity to present either a written or verbal statement. A mass of evidence was gathered, and it is my hope that the committee will be in a position by early January to present a bill to the Senate for its consideration.

As you may recall, the House of Representatives enacted H. R. 12, providing for reinstatement of 90-percent price supports, the details of which I am sure you are familiar with. The Senate committee postponed action and instead proceeded to order the hearings to which I have just referred. Many suggestions were made as to how best to solve the problems confronting agriculture. The preponderance of evidence points to the necessity of finding some ways and means of disposing of some of our surplus commodities to the point where they will not be a drag on the market. Many witnesses have indicated that our agricultural production plant has grown too large, and that some method should be found to reduce its capacity by way of acreage reductions. Others have proposed a soil-bank program to conserve and preserve the fertility of the soil, whereas others expounded on a two-price system, and many have suggested a continuation of price supports in some form or other. It is my belief that the preponderance of evidence would indicate that neither flexible nor rigid supports in themselves would do the job, and that some kind of program in addition to either of those methods is necessary.

May I earnestly suggest that the major farm organizations of our country put their heads together in the hope that agreement can be attained on some of the plans or solutions suggested to meet the present challenge to agriculture. There is no question but that many farmers are in a precarious financial situation, particularly those who have embarked in farming in recent years as a means of livelihood. The evidence disclosed that many veterans started out and have incurred many debts they are now unable to pay because of the sagging income that farmers now receive. Much evidence has been given us indicating that the small farmer is gradually being eliminated and is having to seek work in industry. The chief complaint, I find, has been the price squeeze wherein the farmer obtains less and less for what he produces and pays higher and higher prices for what he requires in his operations. He is not satisfied with the reduction of his share in the consumer dollar which is at an almost all-time low. As you may be aware, the farmers' share of the consumer dollar was, as of August 1955, only 40 cents, in contrast to 52 cents in 1946.

A similar letter is being addressed to the farm organizations which I have indicated at the bottom of this letter, and may I suggest that as many leaders of your respective organizations as possible get together in the hope of at least getting unanimity on a program touching some or all of the following topics:

1. Surplus disposal: We have had for some time a program to dispose of some of our surpluses. There are laws now on the statute books providing for ways and means of selling, disposing and bartering our surplus commodities. An effort should be made to give us a plan whereby we can obtain a fair return on what we sell.

2. Soil fertility bank: Some of the proposals submitted favor control of diverted acres, with or without rental payments or payments for conservation practices on diverted acres; while others favor a soil bank or conservation acreage reserve plan, under which the total agricultural plant would be reduced by the total number of acres in excess of that required to meet the demand for all crops. It is my belief that the consensus of opinion among the witnesses who testified is that some incentive should be provided to the farmers for setting aside a certain percentage of their acreage which would constitute the so-called soil bank. Suggestions have been made for graduated payments depending on the size of the farm and its location as well as the commodities that can be produced thereon.



3. Two-price plans: Suggestions were made that two-price plans be enacted for wheat, rice, and cotton, with the accent on rice. It is my belief that the vast majority of the rice growers desire a two-price system. There was much divided opinion as to wheat as well as cotton. The Northwest, where practically all of the soft wheat for the production of flour for baking and cracker making is produced, has strongly suggested a two-price system. Your views as to whether or not it will be feasible to work out a plan whereby a two-price system could be provided for the Northwest wheat growers, with some provision to prevent the extra wheat being used for feed in any other place than in the Northwest, will be appreciated. Many suggested that a two-price system could be attempted on one crop so as to determine whether such a plan would work.

4. Price supports: It is my belief that the majority of the witnesses who testified desire rigid price support of, say 90 percent of parity on the basics, with emphasis on quality products as a basis for payment; in other words, on commodities such as cotton, rice, wheat, tobacco, corn, and peanuts that are readily salable and merchantable. In that connection may I suggest the feasibility of, say, rigid price support so as to encourage the production of desirable and salable basic commodities, and flexible supports on such of the basic commodities as do not meet the standard that may be proposed as herein suggested.

Another suggestion made as to price supports is that they should be on a graduated basis; that is, take care of the smaller farmers so as to encourage them to remain on the farm.

5. Quality commodities: As suggested in No. 4—a plan to encourage the development of quality and readily merchantable basic commodities, I realize the difficulties in drafting legislation to accomplish this purpose. In order to assist you, I am sending a copy of this letter to organizations representing grain dealers, millers, cotton ginner and manufacturers, canners and other processors in an effort to assist in drafting language to place in the bill.

6. Marketing quotas: Recommendations were made that allotments be put on a bushel, bale, or pound basis; that they be put on a producer instead of an acreage basis; that allotments be given to cover all field crops instead of individual crops; and that moderate marketing penalties on a graduated basis be imposed on the first 25 percent of excess acreage, the proceeds of those penalties to be used for research.

7. Marketing orders: Extension of marketing order authority to fruits and vegetables for canning was requested. Authority to permit deductions for promotional programs under milk orders also was recommended.

8. Dairy products: Various and sundry programs were offered to assist milk producers. Very few witnesses outside of the Minnesota, Wisconsin, and Dakota area proposed price supports for dairy products above the present level. Most agreed that the marketing agreement and order provisions of the law should remain as they are. There was some support in the area just described, and in other sections of the country, for the so-called self-help program now pending before Congress.

I hesitate to write you such a lengthy letter, but I thought it was advisable to acquaint you with the thinking and the views of the witnesses who appeared before us. I am sure that I speak for the committee as a whole when I say that if you men can get together and agree on some of the proposals that I have suggested above, it would be much appreciated and would, of course, be of great benefit to the committee.

It is my hope that the problem will be studied on a nonpartisan, nonpolitical basis, and that the leaders of the various organiza-

tions will do their best to reach agreement on one or more of the proposals above stated, particularly with respect to surplus disposal (No. 1), a soil-fertility bank (No. 2), and two-price plans (No. 3). Time is of the essence, and I urge you to contact each other at your earliest possible convenience so that you can get together and try to reach accord so that we can have the benefit of your views in the early part of January when Congress convenes.

Sincerely yours,

ALLEN J. ELLENDER,  
Chairman.

(Similar letters to Mr. Charles B. Shuman, president, American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.; Mr. Herschel Newsom, master, National Grange, 744 Jackson Place NW., Washington, D. C.; Mr. R. S. Waltz, president, National Milk Producers Federation, 635 Elliott Avenue West, Seattle, Wash.; Mr. John G. Patton, president, National Farmers Union, 1575 Sherman Street, Denver, Colo.; Mr. Homer L. Brinkley, executive vice president, National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.)

Mr. ELLENDER. Mr. President, between the time when this communication was dated and the convening of Congress on January 3, the committee had its staff members working around the clock to digest and analyze the recommendations that were obtained during our field hearings, and as a result of these letters referred to.

I do not believe there is in the Senate a committee which has a more devoted staff than has the Committee on Agriculture and Forestry. Our staff worked night and day, and they are certainly to be commended to the same extent, and perhaps more so, than the chairman of the committee has been commended this afternoon.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my good friend from Minnesota.

Mr. THYE. I wish to join in the remarks of commendation of the staff of the Senate Committee on Agriculture and Forestry. There has never been a time when I have called upon the staff for assistance when I have not had an immediate response, or a response as soon as the information could be obtained. They have always given factual information. They have been a great help to me. I am glad I was in the Chamber to hear the Senator's words of commendation of the staff.

Mr. ELLENDER. I thank the Senator from Minnesota.

Thus, when the Congress convened last month, the committee was ready to consider specific legislation for the relief of agriculture. We had all of the background information that we needed on which to formulate some kind of plan to help bail the farmers out of the serious condition in which we found them.

Then on January 9, the President submitted his agricultural message to the Congress. It contained specific recommendations for the relief of the farm economy; most of the recommendations, I may state, had been suggested to the committee, in varying forms, during the course of our field hearings.

It has been my fervent hope, Mr. President, for the past several months, that somehow and in some way, the Senate

Agriculture Committee could prevail upon the leaders of the Nation's major farm organizations to put their heads together and agree upon some sound program that we could present to the Congress this session and obtain enactment of it without too much controversy and delay.

With that in mind, soon after I got back to Washington on January 1, I again urged the leaders of the major farm organizations to hold one or several meetings amongst themselves and try to work out some kind of plan that was agreeable to them and which they could support, if not wholeheartedly, at least in its essentials.

I am informed that, in line with my recommendations, two meetings were held, but, unfortunately, it was not possible to get all of the representatives of the major farm organizations to attend. Nor was there any substantial area of agreement among the representatives of the farm organizations who did attend the two meetings. The sad and sorry truth, Mr. President, is that among our major farm organizations today there is no agreement as to what should be done to restore our farmers' purchasing power. They stand divided, and seem to be vying with each other as to the best approach to meet the challenge.

Confronted with such a divergence of views among farm leaders, the Senate Committee on Agriculture and Forestry held a series of open hearings in Washington in early January, at which we received the testimony of the Secretary of Agriculture and other representatives of the Department of Agriculture; we also heard testimony from the leaders of the major farm organizations, and from other representatives of agriculture. Once again, it was apparent that there was no substantial agreement amongst the farm leaders as to the kind of farm program we should report to the Senate.

The committee staff prepared a bill based on suggestions that were received from the farmers. The administration submitted its own version of what should be done. The committee then sat for days, and finally came out with the bill now before the Senate for consideration.

It was no easy task, Mr. President, as is eloquently shown by the divided votes within the committee on the various sections of the pending farm bill.

The problem we had to solve was, of course, how to put more dollars into the farmers' pockets without delay. We were faced with the stark fact that an agricultural crisis was on our hands. Net farm income has dropped \$5 billion since 1951, and is still falling; the farmer's share of the consumer's dollar has fallen from 52 cents in 1946 to about 38 cents today; and there is no indication that the downward trend has been spent. In spite of the fact that total farm production in 1955 was 12 percent greater than it was in 1947, gross farm income in 1955 was 9.4 percent below that of 1947, and net farm income was down 38 percent. Measured another way, the parity ratio, which indicates the relationship between prices received by farmers and prices paid by farmers, dropped from 123 in October of 1946 to



80 in January of this year, a loss of 43 points.

It is significant, too, that during the same period, when the farmer was watching his share of the consumer dollar being whittled away and his operating profit wiped off the books, the national income from nonagricultural sources had increased about 68 percent. In other words, while the rest of our economy has been prospering, the farmer has gradually been going broke.

In spite of the rosy predictions by the Secretary of Agriculture for the past 2 years, our committee could not escape the melancholy fact that farm prices and farm income are still on the way down. We were faced, too, with the stark reality that there was nothing in the farm program submitted by President Eisenhower which held out any hope of increased income to the farmers in 1956, except a possible stiffening of the prices of some farm commodities due to less production on acres that may be placed in the soil-bank program. We were all in agreement that something had to be done immediately—early in 1956—to improve the plight of the farmer.

I can state, Mr. President, that the President's farm program received very careful and sympathetic study by the entire membership of the committee. As all of my colleagues know, it called primarily for a continuation of the so-called flexible price supports, plus the inauguration of a soil bank, and the continuation and enlargement of some of the existing programs. As I have just stated, and as I shall point out in more detail a little later, there is nothing in the President's farm program that offers the farmers additional revenue in the immediate future for 1956. Under the program called for by the President, and in support of which the present Secretary of Agriculture, Mr. Benson, is presently beating the bushes around the country, flexible price supports will be the order of the day in 1956 and thereafter.

Let us consider for a moment the full impact of Mr. Benson's recommendations.

The price of wheat, which was supported in 1954 at 90 percent of parity, and in 1955 at 82½ percent of parity, would be supported in 1956 at 76 percent of parity. In other words, in the space of 2 years, the price supports on wheat, under Mr. Benson's plan, would be dropped 14 points. This means that wheat, which was supported at an average of \$2.24 a bushel in 1954, would be, under Mr. Benson's program, supported at an average of \$1.81 a bushel in 1956.

Cotton, under Mr. Benson's plan, would be supported in 1956 at somewhere between 75 and 90 percent—the exact level of support has not yet been determined, but undoubtedly it will be not greater than 80 percent of parity, and probably as low as 75 percent—compared with 90 percent support levels in 1954, and 90 percent support levels in 1955.

Mr. Benson's program calls for supporting the price of corn in 1956 at 81 percent of parity, or \$1.40 a bushel, compared with a support level in 1954 of 90

percent of parity, or \$1.62 a bushel, and 87 percent of parity, or \$1.58 a bushel in 1955.

Support prices on rice in 1956 would drop to 75 percent of parity, or \$4.04 a hundredweight, compared with 90 percent of parity, or \$4.92 a hundredweight, in 1956, and 86 percent of parity, or \$4.66 a hundredweight, in 1955.

The support level for peanuts in 1956 has not yet been announced, but in 1954, peanuts were supported at 90 percent of parity, or 12.2 cents per pound, and in 1955, at the same rate. Under the sliding scale formula, they may be supported in 1956 at levels ranging between 75 percent and 90 percent of parity.

It is only with respect to tobacco, among the basics, that the support level for 1956 will be continued at the same levels as in 1954 and in 1955. As Senators will recall, this special advantage to tobacco producers occurs because the Congress, in 1954, in passing the so-called flexible price-support program, continued the exception for tobacco and directed that price supports for this commodity be maintained at 90 percent of parity, the same as had prevailed for all basic commodities prior to the enactment of the administration's flexible price-support program.

Mr. President, it does not take a mathematical genius to figure out that under the Benson program for 1956 the general level of farm income is bound to drop further. Mr. Benson can predict and prophesy all he pleases, and he can prate with all his might about what his program will do for the farmers, but he cannot talk away the startling fact that all the while he is promising to raise the income of the farmer his departmental policies are lowering still further the price the farmer receives for his products. I doubt that many farmers will be taken in by the blandishments of this great soothsayer who promises increased farm income while he hacks away at the very foundation of farm income—the prices of farm products. No, Mr. President, the farmers of America who produce our basic crops understand and realize that a continuation of the flexible-price-support program into 1956 and 1957 means only one thing to them—lower prices for what they produce.

The Secretary of Agriculture argues that high price supports will create bigger surpluses, while lower price supports will make the surpluses disappear. I submit, Mr. President, that this argument does not hold true. Those who put forth this argument overlook the fact that the basic commodities are under strict acreage controls and marketing allotments, and, as to the allotted acres that are made available to a farmer for planting, the level of price supports will not affect in the least the quantities of cotton, wheat, corn, rice, peanuts, or tobacco that are produced from those allotted acres. The facts and figures that are on record in the files of the Department of Agriculture prove conclusively that lower price supports do not bring about a reduction in the number of bales of cotton or bushels of wheat that will be produced from allotted acres.

And, conversely, high price supports will not increase the total production from allotted acres. The reason is simple: When a farmer's money crop is cut back by reason of acreage allotments, he has to plant every acre that is allotted to him, because he has to get enough gross return in order to make interest payments on his mortgage, meet the installments due on farm-equipment purchases, pay the cost of living expenses of himself and his family, and other items of fixed costs.

Let us look at the record in this respect. Let us take a look at what has occurred among the basics immediately before and after the enactment of the sliding-scale formula.

The rice industry provides an interesting study. In 1954, with 90 percent price supports, the acreage planted to rice totaled 2,600,000 acres. With 1955 came acreage allotments and marketing quotas, and the national acreage allotment for rice was established at 1,859,000 acres—a cut of almost 30 percent below 1954. Along with it, the price support for rice, under the Benson formula, was dropped from 90 percent, as in 1954, to 85 percent. In money, this gave the rice farmers a price support of \$4.66 per hundred pounds in 1955, compared with \$4.92 in 1954—or 26 cents less. Did the drop in price supports discourage the rice farmers and persuade some of them to drop out of the picture, thereby alleviating to some extent the carryover problem? The answer is "no." The rice farmers in 1955 planted 1,842,000 acres, or 99 percent of their total national acreage allotment. Plainly, Mr. Benson's theory that lower price supports bring less production does not hold true, at least where one of the basic crops—one of the farmer's major money crops—is involved.

For 1956, the Secretary has established a national acreage allotment for rice of 1,639,000 acres, with a support price of 75 percent of parity—a further drop in price supports from the \$4.92 in 1954 and the \$4.66 in 1955, to \$4.04 in 1956. Here is a very substantial drop in price—a drop of 88 cents per hundred pounds over a 2-year period. Yet I cannot find in the Department of Agriculture anyone who will predict that anything less than 99 percent of the national acreage allotment will be planted to rice in 1956.

Let us take a look at another one of the basic crops—wheat. In 1954 the national acreage allotment for wheat amounted to 62 million acres, with a support level of 90 percent. The total acres planted to wheat in 1954 amounted to 62,569,000 acres—or 101 percent of the acreage allotment.

In 1955, the national acreage allotment for wheat was dropped back to 55 million acres, and the support price was lowered to 82½ percent of parity—a drop from \$2.24 per bushel in 1954 to \$2.08 in 1955. Did this drop in the support price discourage the wheat farmers from producing wheat in 1955? No, it did not. The records of the Department of Agriculture reflect that in 1955 the wheat farmers of America planted a total of 58,284,000 acres to wheat—or 106 percent of the national acreage allotment. In



other words, with a support price for 1955 that was 16 cents per bushel less than the support price for 1954, the nation's wheat farmers planted, not only right up to their national acreage allotment, but 6 percent beyond it.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. McNAMARA in the chair.) Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. ELLENDER. I yield for a question.

Mr. YOUNG. Does the extra 6 percent cover the acreage planted in the winter-wheat area for cover crops which later are plowed under?

Mr. ELLENDER. It might well have done so. Also, as the Senator from North Dakota will recall, some durum wheat was planted during that period.

Mr. YOUNG. That is correct.

But it is a fact, is it not, that the wheat farmers have abided by their quotas?

Mr. ELLENDER. Oh, certainly; there is no doubt about that. I did not mean to insinuate, I say to my good friend, the Senator from North Dakota, that the wheat farmers did not abide by their quotas. As he knows, under the law, as I understand it, if there is overplanting of the allotment, the farmer can put the amount of overproduction under lock and key, and can keep it until the following year, if he desires; and it is probable that in many cases that was done.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I am in thorough accord with the view of the Senator from Louisiana that flexible parity does not result in a reduction of production. The surpluses nationally were not decreased by the flexible parity, but would have been increased much greater if there had not been the crop failure which occurred as a result of the drought. The drought was severe; in fact, in my State we produced the second smallest wheat crop in our history, whereas we would have increased the surplus by between 80 million and 100 million bushels, if we had had a normal crop. That is true also of the neighboring States of Oklahoma and Texas, and probably Nebraska.

Even with the acreage allotments, which we follow very closely, as a matter of fact, my State has reduced the area devoted to wheat production from 18 million acres in 1953 to less than 11 million acres—in fact, approximately 10,800,000 acres—this year; and because of the drought which occurred last year, we had a wheat crop of only 128 million bushels, in the face of a normal crop of 240 million bushels, and a record crop of 304 million bushels. So a drop in the price support simply does not bring about a reduction in production.

Mr. ELLENDER. I thank the Senator.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. Is it not a fact that the wheat producer is subject to a severe penalty if he does not observe his allot-

ment, whereas that is not true in the case of the producers of corn?

Mr. ELLENDER. That is correct. Furthermore, as the Senator from Vermont knows, there is another difference in the case of corn allotments: They are simply promulgated by the Secretary of Agriculture, under certain rules and regulations that he follows, without submitting the allotments to the corn producers in a referendum. That is another difference which I wish to point out, as compared with the allotments for the wheat farmers.

Mr. AIKEN. I notice that the Senator implies that the flexible parity formula is responsible for the large drop in income suffered by our farmers this year. Is it not a fact that practically all basic commodities, with the exception of wheat, have been supported at or near 90 percent, for the crop year 1955? Wheat, of course, was supported at 82½ percent.

Mr. ELLENDER. That is what I was about to suggest to my friend.

Mr. AIKEN. Is it not a fact that while corn is supported at 87 percent, on January 15 the average farm price received was only 67 percent?

Mr. ELLENDER. That is because the corn producers did not take advantage of the price-support program. They planted all they could and took their chances as to price. I believe that only 38 or 39 percent of the farmers complied with acreage allotments.

Mr. AIKEN. Thirty-six percent, counting all corn producers in the country.

Mr. ELLENDER. Thirty-six percent of them complied with acreage allotments. They were the only ones who were able to go to the Commodity Credit Corporation and get loans at the support level previously fixed by the Secretary of Agriculture.

Mr. AIKEN. Is it not a fact that the commercial corn grower has been planting about the same acreage year after year, which is, roughly, 56 million acres, but that this year he found some new competition in the form of feed grains produced on several million acres which had been taken out of wheat production, and some out of cotton production, but largely wheat production? I refer to such items as sorghum, barley, oats, and possibly some lesser commodities in certain places.

Mr. ELLENDER. I do not believe that situation was peculiar to 1955. I think it was true many years before that.

Mr. AIKEN. No; because under the rigid support program, the wheat growers and the cotton growers were required to cut back severely in their acreage. Naturally they did not want the diverted lands to lie idle; they needed the additional income, so they produced about 800 million bushels of feed grains, which came into direct competition with corn. The corn producers had been going along on a more or less even plane, planting 56 million acres a year. Consequently, when 800 million bushels of feed grain are dumped on the market, such a circumstance is bound to depress the price of something. In this case it happened to be hogs, and to a lesser extent beef

cattle. Under the law the corn grower could observe his allotment or not. He chose not to do so, because he markets most of his corn in the form of animals. I do not believe that the corn grower, who had been producing the same sized crop running from 3 billion to 3,100,000,000 bushels a year, should be penalized because producers of other basic commodities saw fit to plant diverted acres to crops which came into direct competition with the corn grower.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I think we should keep in mind that the 56 million acres of which we speak do not represent all the acres planted in corn. That figure represents only the quota acres. I think the total acreage runs up to 87 million.

Mr. AIKEN. The national acreage allotment for corn was 49 million acres last year, but the corn grower in the commercial area has been planting, usually, about 56 million acres a year. I agree with the Senator from South Carolina. There has been some increase in corn production outside the commercial area. However, I believe it is small in comparison with the tremendous amount of feed grains produced on diverted acres which came into the picture.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. I intend to discuss this subject a little later when I speak on my amendment. However, to keep the record straight, it is true that the producers on approximately 36 percent of the acreage in the commercial corn area originally indicated an intention to conform to the allotment of 49 million acres out of 56 million. A very much smaller percentage actually went ahead and sealed their corn. In my State, with respect to the 1954 crop, the percentage was about 23. Originally approximately 40 percent had agreed to conform. They were not necessarily violating any obligations when they did not, but many of them later decided that they would not go to seal; they would not take advantage of the sealing operation. Of course, at least 85 percent of the corn in this country is fed. It goes into animals. By the very nature of diversified farming, 56 million acres in the commercial corn area is about the acreage which diversification in that area will permit.

I do not think it is quite an accurate statement to say that a corn farmer or one in the commercial corn area will plant all the corn he can. The nature of the situation is such that he will plant only about so much corn on his farm. He conducts a diversified operation. Corn production is a feeding operation. He will have a certain amount of corn, a certain amount of beans, some alfalfa, perhaps some oats, and other crops. He diversifies from year to year. It all adds up, year in and year out—and the statistics prove it—to approximately 56 million acres, whether there are allocations or not. We have had allocations with respect to corn only in 1954 and



1955. They are proposed for 1956. We had them in the late 1930's, but they never really proved satisfactory and they were abandoned.

So, regardless of whether we have acreage allocation with respect to corn or not, we shall have about 56 million acres in the commercial area. Those seem to be the facts of nature in the diversified area. There are some problems with respect to the increase in corn production outside the commercial area, upon land which has been diverted, but we can discuss that subject a little later.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Is it not true that if we had had the soil bank, or a provision comparable to the soil bank, so that we could have had a place to put the diverted acres, and some just compensation had been allowed the producer for placing his acres in the soil bank, the situation would have been different?

No young man who is paying cash rent for an acre of land can afford to allow that acre to lie idle. He must crop it. Also, an owner is subjected to taxes, and he has an investment in that particular acre. He must crop it. However, for the first time the soil bank offers a realistic approach to the problem of reducing agricultural surpluses. Never in history have reduced prices reduced the total overall production of the land. Such a result has not been brought about in connection with milk; and milk has taken the full flex, from 90 down to 75. Production is increasing, and it will continue to increase.

Mr. ELLENDER. I plan to discuss that question a little later.

Mr. THYE. For that reason the soil bank, for the first time, offers a realistic approach to the problem of reducing agricultural surpluses. The question I should like to ask is this. If a farmer reduces his acreage allotments on wheat or cotton or corn, he must put that acreage into some idle operation, such as a soil bank.

Mr. ELLENDER. An acreage reserve; that is correct.

Mr. THYE. Yes; an acreage reserve. He must do that before he is qualified to obtain an acreage reserve payment. Is that correct?

Mr. ELLENDER. The Senator is correct. That provision is contained in the bill.

Mr. THYE. There is a question involved here, however. He is not mandatorily bound to put the acreage into idle acreage. In order to qualify, I would say that a great percentage of the farmers would put their land, diverted from cotton, wheat, or corn, into a soil bank. That applies as well to the arid acres of the Southwest, so far as the soil bank or soil conservation practice is concerned. Therefore we would not have what we had in the past 2 years, namely, a shift from cotton to corn, particularly near the Corn Belt, and a shift from wheat to sorghums in the Southwest. Sorghums are almost the equivalent of corn in feed value. In that way there has been in the past a nullification of everything which was done in the

commercial corn area. For example, a farmer producing wheat in the Northwest would go into the production of barley or some other feed grain.

What we have done in the past is to shift the surpluses from one crop to another, and from one geographical area to another. However, this time we come forth with a soil bank provision, which promises the producer an opportunity to reduce his plantings and at the same time not go bankrupt while he is doing it. We are also developing a program which will reduce surpluses.

We know it will take a year and a half to get the soil bank into full operation. The farmers in the South are already going into their planting season, and therefore it is only in the northern part of the country where we will be able to get the full application of the soil bank provision. It seems to me that the 90 percent of parity provision is almost a necessity in order to prevent a slump in agriculture until we get into the soil bank operation fully and thereby reduce our surpluses.

Mr. ELLENDER. The Senator has expressed my views and my hopes for the soil bank. I believe, if properly administered, the soil bank can be a very effective instrument in bringing about a reduction of the commodities and thereby alleviating the surplus problem.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. THYE. This is the first realistic approach to a solution of the problem. It is unfortunate indeed for the Nation's economy, particularly for agriculture, that we did not write such a soil-bank provision into the 1954 revision of the Agricultural Act.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to put some figures into the RECORD to show what has happened to the planting of corn and other feed grains during the past 2 years.

The total planting of corn for 1955 was 81,600,000 acres. That includes both commercial and noncommercial plantings.

Mr. ELLENDER. How much of that total was planted in the commercial corn area?

Mr. AIKEN. About 56 million acres of it is in the commercial area.

Mr. ELLENDER. That is what I thought.

Mr. AIKEN. That is the lowest acreage planted since 1937. It is 100,000 acres lower than the next lowest year of 1953, when 81,700,000 acres were planted.

During the time, from 1953 to 1955, when the acreage of corn was decreasing, the acreage of oats increased from 43,900,000 acres to 48 million, or by 4,100,000 acres. The acreage of barley increased from 9,700,000 acres to 16,100,000 acres, or by 6,400,000 acres.

The acreage of sorghums increased from 6,200,000 acres to 12,400,000 acres, or an increase of 6,200,000 acres.

While corn was decreasing its acreage—and of course it is true that it was

increasing its yield—the feed grains coming in competition with corn were being planted on 16,900,000 more acres. I believe that corresponds very well to the acreage which was required to be taken out of the production of wheat. For the moment I forget how much was taken out of wheat planting, but—

Mr. ELLENDER. For what year was that?

Mr. AIKEN. From 1953 to 1955. I am taking 1953 plantings and 1955 plantings, to show what happened during that time. At the same time perhaps 17 million acres of new feed grain came into competition with the Corn Belt, which had been holding its production fairly stable, because from 80 to 85 percent of the crop was used on the farms.

Mr. THYE. Mr. President, will the Senator from Louisiana yield so that I may make a brief comment on the figures put in the RECORD by the Senator from Vermont?

Mr. ELLENDER. I will be glad to yield, provided I do not lose the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. THYE. Mr. President, the distinguished Senator from Vermont [Mr. AIKEN] has put his finger on the exact problem with which agriculture has been faced. In 1954 some of us endeavored to have a soil-bank provision written into the act. Anyone who has had any experience with agriculture knows very well that a young man who is paying \$10 or \$12 or \$15 an acre cash rent cannot allow an acre of land to lie idle and still be able to pay his cash rent.

For that reason we said a program must be initiated for an orderly diversion of such acreage. We said if that were not done we would merely shift the surplus from one commodity to another, and we would merely divert the headache, so to speak, from the Southwest into the Central West, for example, so far as the production of feed grain is concerned.

I wrote a letter to the Secretary of Agriculture in January 1954, in which I informed him that he would not resolve the surplus problem, but would only head for additional trouble, because, I said, neither the Secretary nor I would advise a young man to increase his pork production, for it was inevitable that pork would be produced far beyond the consumptive needs of the country.

Within the course of the next 18 months, my predictions proved to be accurate, in the light of what happened in 1955 in connection with pork production.

Therefore I wish again to say that we are approaching the surplus problem now for the first time in a realistic manner, by providing a soil bank, into which to draw surplus acreage, and thereby reduce the total overall harvest in the coming year.

That will not be accomplished in the calendar year 1956. The educational program connected with it will require many months before it will be possible to have the program completely understood, and it will be well into the cal-



endar year 1957 before we shall have established an administrative practice which will materially reduce the overall productive capacity of the Nation.

Mr. ELLENDER. That is why I suggested that the farmers of the country need not expect any bonanza from the soil bank during the first year, because it will take time for the benefits to reach the producers. Some results may flow from it this year only if there are sufficient acres diverted to bring about less production of some of the grain crops and other crops. However, that remains to be seen. As my good friend from Minnesota has just said, unless we provide for an increase in price supports this year, farmers cannot expect to get any benefits out of the bill in 1956.

Mr. THYE. Mr. President, will the Senator from Louisiana yield further?

Mr. ELLENDER. I yield.

Mr. THYE. Recently, I found it necessary, in order to convince myself of what has happened in the dairy industry, to go back and check the price of fluid milk in the Central West. When I checked the figures I found that the price paid in 1952 for fluid milk was, on an average, just about \$1 higher than the price which was paid for the same butter-fat-content milk in the month of January 1956.

Has the production been decreased? No. Positively, the figures show that there is a 4-billion pound increase in total milk production for the calendar year. The same thing applies to wheat.

Let us picture what is going to happen next August when the farmers begin to make applications for a commodity loan. They are going to take the difference between \$2.08 and \$1.81. They are going down 18 cents on corn.

Let us try to place ourselves in the position of the farmer taking such a reduction on corn and wheat, when every index figure on cost is rising, and at every turn he is faced with a greater expense in operation, including taxes, insurance, and interest. I cannot go back to the Midwest and tell the farmers to accept this program and work it out for another 2 years until the soil bank has effectively reduced the overall production. I know that some of them will not be there to enjoy it when prosperity returns to agriculture.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I should like to concur in the statement just made by the Senator from Minnesota. He has described the situation exactly as I see it in the entire farm picture. We are confronted with a soil-bank program which I think is a very good program, but if anyone believes we shall be able to get any of the money out into the winter-wheat belt this year, he is looking forward farther than I can. I am a wheat farmer in my own right, and I think I know my own farm. If the price is not such as will give the farmers some increase in income, they will be no better off this year than they were last year.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I think we all recognize the situation of the farmers. Their net income has been reduced from \$17.2 billion to \$10.2 billion. So we all realize that we cannot permit it to be further reduced. That is why we come in with a soil-bank proposal. We are going to pay the farmers something for taking acres out of production. We know that in the past they have cut down the acreage of corn and have planted wheat or rye or barley, or some other crop, so that the only way to prevent building up surpluses in other fields is to follow the proposal made in the bill. I am one who believes that if we do not keep the prices up on the small amount of acreage the farmers are going to have, the farmers will be doomed.

Mr. President, I have a table which shows the farmer's net income from 1952 through 1955. During most of this period the farmer's income has been going down. I should like to have the table printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| [In billions] |       |      |
|---------------|-------|------|
| 1952:         |       |      |
| 1st quarter   | ----- | 13.4 |
| 2d quarter    | ----- | 14.1 |
| 3d quarter    | ----- | 15.9 |
| 4th quarter   | ----- | 12.8 |
| 1953:         |       |      |
| 1st quarter   | ----- | 13.6 |
| 2d quarter    | ----- | 13.6 |
| 3d quarter    | ----- | 13.2 |
| 4th quarter   | ----- | 13.2 |
| 1954:         |       |      |
| 1st quarter   | ----- | 13.2 |
| 2d quarter    | ----- | 11.3 |
| 3d quarter    | ----- | 11.4 |
| 4th quarter   | ----- | 11.3 |
| 1955:         |       |      |
| 1st quarter   | ----- | 11.2 |
| 2d quarter    | ----- | 10.7 |
| 3d quarter    | ----- | 10.2 |
| 4th quarter   | ----- | 10.2 |

Source: USDA Farm Income Situation, Dec. 16, 1955.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I should like to pursue the subject a bit further.

The modernized parity formula contained in the act of 1949, which has been permitted to go into effect, reduces the parity price for wheat approximately 13 cents a bushel a year, until it reaches approximately \$2.19 a bushel, and support at 75 percent of this parity price would be only \$1.65 a bushel.

In addition to that, there is deducted from the price-support loan an additional 10 cents a bushel, so that when the full program is effective we shall get down to approximately \$1.55 a bushel. Obviously a wheat farmer cannot live under that kind of a program. There has also been a cut of one-third in acreage.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I think there is some misunderstanding about the benefits of the soil-bank plan not being made avail-

able this year, because it is provided in the bill that when it has been determined that a producer of a certain commodity has not planted his full allotment this year, under the acreage reserve he will be entitled to receive the payment which would be due him for not planting that acreage immediately, as soon as it has been determined that he has not planted it. So he will be eligible for payment this year if the bill is passed.

Mr. ELLENDER. I think there was another suggestion made by the Secretary of Agriculture to the effect that if the bill is passed early enough it would be possible for some wheat farmers who had already planted their wheat to plow up some of their acreage if they wished to do that. Whether they would do so remains to be seen.

Mr. AIKEN. They would be eligible. If they prefer to carry through their crop of winter wheat thinking they will get more than that, they can do so, and if they wish to come under the soil bank early enough they will be eligible to do so. I do not know exactly what they would be paid, but we were talking in terms of around 90 cents or \$1 a bushel for the crop which they might reasonably expect to raise. I hope that wheat farmers will take advantage of it generously. We have provided \$750 million. I do not think the entire \$750 million could be used this year. If we use two-thirds of it we shall probably be doing pretty well. We have to consider that surpluses do not apply alone to the United States. It is a worldwide situation at this time.

The prospects for wheat on the world market are dim enough so that the United Kingdom has refused to consider going into the wheat program, evidently anticipating the purchase of wheat for less than the minimum of \$1.55 a bushel. That is getting down pretty low. We subsidized wheat last year to the extent of approximately 75 cents a bushel. So it strikes me that speed is of the essence in order that the wheatgrower and the cotton and cornrower may come under the program this year, and not only receive the benefit of payments, but the benefit that may accrue from a strengthened market.

Mr. ELLENDER. Along that line, it is my hope that we can get the majority leader and the minority leader to try to reach an agreement to vote on this bill not later than next Tuesday or Wednesday.

Mr. AIKEN. I do not know when we can get a vote on it. I know there are some amendments in process of preparation. I would say, not later than the first of March.

Mr. ELLENDER. That would be too late.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. Will the Senator from Louisiana tell us what the level of payment will be for acres coming within the soil-bank provision?

Mr. ELLENDER. The bill does not provide any particular amount. It is left entirely to the Secretary of Agri-



culture to fix the levels of the payments. As the Senator will note from the committee report on the bill, he will note that preliminary estimates have been made as to what can be expected per acre for various commodities. The estimates were made by the Department of Agriculture.

Mr. CURTIS. Does the bill provide any maximums and minimums?

Mr. ELLENDER. No; except in funds. The bill provides for a maximum of \$750 million for the so-called acreage reserve program, and \$350 million for the conservation acres.

Mr. CURTIS. But from the standpoint of the individual farmer, will he be paid as much as he could ordinarily cause those acres to earn, or will he be paid a lesser amount?

Mr. ELLENDER. That is the plan.

Mr. CURTIS. Which? As much as he could earn, or less?

Mr. ELLENDER. The plan is to pay enough to induce him to divert his acres, and not to plant the allocated acres.

Mr. THYE. I wish to concur in the remarks of the distinguished chairman, because the Secretary of Agriculture, in appearing before the committee, made the statement that he thought we should err on the liberal side, so as to get compliance in the soil-bank program.

When the Secretary was further asked to explain his position, he stated that a farmer, in harvesting a crop, had had the expense of seeding and harvesting, and would have the expense of delivery of the grain to the bins or to the market. On the other hand, under the soil-bank program, the farmer would, first, have the privilege of building the fertility of his land, of being compensated, and then of having no expensive harvest. So what the farmer would have would be the equivalent of the net crop plus a little on the liberal side. That was the way the Secretary explained the plan to the committee.

Mr. CURTIS. How will the payment be divided between the landlord and the tenant, where they operate on a share basis?

Mr. ELLENDER. We have written into the bill a provision whereby it will be the duty of the Secretary to provide rules and regulations which will treat tenants fairly, not with the idea of putting them off the farms, but of giving them a just share of whatever payments will be made.

On page 15 of the report is an estimate, which is purely tentative, made by the Secretary of Agriculture. As to cotton, let us say, assuming that the national average yield per acre is 303 pounds, 50 percent of the loan level would make the payment to a cotton farmer \$50 an acre.

Assuming that the national average yield per acre for wheat is 15.8 bushels, the approximate payment per acre would be \$17.

The Secretary has the right, under the bill, to go above that amount if he wishes to do so.

Mr. CURTIS. He can go below it, too?

Mr. ELLENDER. He can also go below it—either above or below. But the

idea is that if he wants to get acres out of cultivation, particularly allotted acres, he would have to make the proposal attractive enough and the incentive big enough so that the farmers would be willing to cooperate.

Mr. CURTIS. The Senator from Louisiana has been in the Senate for a long time and has played a very definite part in the shaping of agricultural legislation for many years. I wish he would tell me what, basically, is the difference between this plan of paying the farmer not to produce and previous plans which have been tried.

Mr. ELLENDER. There are tremendous surpluses at present. Marketing quotas cause farmers to divert their acreage from one crop to another.

Mr. CURTIS. I understand that. I refer to the operation of the plan so far as the individual farmers are concerned.

Mr. THYE. Mr. President, will the distinguished chairman yield to me momentarily with reference to the question which has been asked?

Mr. CURTIS. My question is, What does this program propose which has not been tried heretofore?

Mr. THYE. My question is, To what years does the distinguished Senator from Nebraska refer?

Mr. CURTIS. To all of them.

Mr. THYE. Does the Senator refer to 1955 or to 1954? Those were the only years since the Korean crisis in which there were quotas on corn.

Mr. CURTIS. No; I am referring to all the years since 1933. What is the basic difference between this plan and other plans of paying farmers? I do not ask my question argumentatively; I am seeking information. What is the basic difference between this plan and some of the other plans which have been tried at times?

Mr. ELLENDER. The basic difference is simply that in the past farmers have been given support prices at a given percentage of parity so long as they complied with their acreage allotments.

Mr. CURTIS. I am aware of that.

Mr. ELLENDER. Farmers were able to plant all of their allotted acres, and they were able to obtain loans through whatever agency offered them.

Mr. CURTIS. I am aware of that. I am referring to the original AAA Act.

Mr. ELLENDER. Does the Senator refer to the soil bank?

Mr. CURTIS. It was not called a soil bank. I am talking about the system of paying farmers not to produce. How does this plan differ from other plans which have been tried throughout the years Congress has been engaged in considering agricultural legislation?

Mr. ELLENDER. We have never had this type of plan before. Under the Agricultural Adjustment Act of 1933, farmers entered into contracts to reduce acreage in specified surplus crops in return for benefit payments financed chiefly by processing taxes on the commodity concerned. The processing tax was declared void in 1936.

Mr. CURTIS. Is it that this plan probably is constitutional, while the other plan, which involved processing taxes, was declared to be unconstitutional?

Mr. ELLENDER. That is one of the differences. The situation is somewhat different now, too, since acreage is already controlled by marketing quotas and allotments. The purpose of the bill is to obtain a further reduction.

Mr. THYE. I believe this is the first realistic approach to reducing farm planting. The individual farmer cannot be induced to reduce his farm planting at his own expense, when he does not know what the producer in the next county will do. Excellent cooperation in the reduction of planting might be achieved in a given area, while in another area the planting will be expanded. Therefore, the soil-bank program affords an orderly Federal program which proposes to bring into the soil bank the surplus acres of land which have added to the feed supply, which, in turn, has overproduced livestock, dairy products, and poultry.

It is also proposed now that when a farmer diverts his land from wheat planting, instead of putting the land into some sort of feed crop, the land will go into the soil bank. Instead of reducing the cotton acreage and planting the diverted acres with corn or soy beans, as the hearings last fall disclosed was the case throughout the northern region of the Cotton Belt, that land will be placed in the soil bank.

Mr. CURTIS. I am aware of all of that, and I am not arguing about it. What I am trying to find out is, What is the basic difference between the proposed system and the system which existed under the original AAA Act, admitting that that act was declared unconstitutional by the Supreme Court because of financing and other factors concerned with paying farmers not to produce?

Mr. HOLLAND. I suggest that one basic difference is that the old program to which the Senator from Nebraska refers had to do with reimbursing for acreage which was cut out before the allotted acreage was determined. This particular program of acreage reserve is an effort to cut out from the allotted acres some of the very best acreage that a farmer has.

Mr. CURTIS. In other words, what the Senator is saying is that throughout the years the farmer has had to cut down his acreage, and now it is proposed to pay him to have additional acres lie idle. In the beginning, we merely offered him some reimbursement for letting the acres lie idle, even though there were no quotas or acreage restrictions.

Mr. HOLLAND. There are two different programs contained in this one program.

The first program, that of the acreage reserve, seeks to retire from production some of the most highly productive acreage the farmers have, by inducing them, through special payments, to cut out some of their allotted acreage no matter how low the allotments get. That, of course, will require a real inducement. When the reduction takes place, it will be very real; and because it will be very real, and in some instances will hurt, it is important that the producer be able to turn to the surpluses to be reimbursed in kind, instead of in



funds, for instance, for feed on his farm, if that is what he has to have.

One part of the program, the conservation reserve, is much more like what has been called, up to now, the ACP program. It is designed to take out of cultivated acreage—not out of allotted acreage, but out of cultivated acreage—that acreage which can be best spared by the grower. That will not be his best acreage at all, but more frequently will be his marginal acreage, that acreage which will profit most from a storing up of fertility through the practicing of conservation methods with reference to it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I do not have the floor.

Mr. THYE. I merely wanted to commend the distinguished Senator from Florida for pointing out the importance of the two phases of the soil bank and soil fertility program. The so-called less productive land can go into trees. Land could be definitely retired over a period of many years. That could be done under contract for possibly 10 or more years. So, for example, in the western part of Nebraska, there may be some land in crops which should go back into grass. A contract can be entered into covering 3 or 4 or 10 years, not only that the land will go to grass, but into trees, in that area, if it is so desired.

It is the first positive realistic approach to resolving the problem of surpluses.

Mr. ELLENDER. Mr. President, I wish to say to my good friend from Nebraska that he anticipated me far in advance. I expect to speak about the difference between the methods of the operation of the soil bank.

Mr. CURTIS. The Senator has been very kind. Will he yield for a question?

Mr. ELLENDER. Certainly.

Mr. CURTIS. Does the Senator anticipate it will be necessary to continue the soil bank for a number of years in the immediate future? I refer to both parts of the proposal.

Mr. ELLENDER. The proposal deals with acreage reserves. It may be possible to end that in 2 years. In most cases, it may be possible later to balance our production with our consumption requirements, but that phase of the bank program cannot go beyond 4 years.

Mr. CURTIS. Without further legislation, is that correct?

Mr. ELLENDER. That is the proposed legislation now being considered by the Senate.

In regard to the conservation reserve, that program provides for contracts covering not less than 3 and not more than 10 years, unless trees are planted, in which case the contract may cover as much as 15 years. Contracts could be entered into through 1960, and would have to expire by December 31, 1974, at the latest.

Those are the limitations we have written in the bill with respect to that. I hope to discuss that fully during the course of my presentation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I apologize to the able Senator from Louisiana, because I am sure he treats these matters better in the course of his argument than I am able to deal with them here; but if I may address the Senator from Nebraska, in order to complete my answer to him, I thought he was worried a moment ago, as shown by his questions, about the amount.

Mr. CURTIS. I am not worried; I merely have an inquiring mind.

Mr. HOLLAND. Let me say that if he is anxious about the amount involved, the amounts shown in the chart printed on page 15 of the report are the average amounts for each of the commodities; but the bill and the report both make it very clear that the land and its productivity and the value of the production from the land stand on their own bottom. For instance, if cotton-producing land from one State which was marginal land—and always had been, or had been for years—were put under the acreage reserve, and at the same time some land in the Mississippi delta were placed under the acreage reserve, it would not mean that the same amount would go to each, but the value of the productivity and the value produced by each would be reflected by the actual payments and allowed to those who retired their acreage.

I am of the firm belief that instead of having the payments postponed until the second year, there would be very sizeable payments the first year because of the inducements to be offered. The whole program would fall flat unless inducements were offered to retire acreage in this year we are about to enter. The whole purpose would be ineffective as to this year unless such reduction could be made in this year. There are some crops already planted, but there are others which have not been planted. There are others which have been planted and which might be replanted to grass or the like.

If the Senator will look at the plat, he will see that even when the payments in effect are 50 percent of the gross profit of the soil, in most instances they will be well above the net profit of the soil. It would be profitable, and it is designed to be profitable, to the growers who operate under the acreage reserve, to retire to it, from their allotments for this year and for subsequent years, some of their precious allotted acreage. The inducement offered would be that to do so would be to their advantage and would be money in their pockets—either money in their pockets or a soil bank which would give them a profit above what they could make ordinarily.

It is intended to be a quick method of balancing our present surpluses and production against the consumers needs.

Mr. THYE. Mr. President, will the Senator from Louisiana yield, so that I may reply to some of the remarks of the distinguished Senator from Florida?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator from Florida has said that he supposed we will get compliance this year. I point out that the winter wheat in the States of Washington and Oregon is planted. Winter wheat in Kansas, Oklahoma, Texas, Col-

orado, and Wyoming is planted. Therefore there would have to be a tremendous inducement to have a plowing down of grain which is in some areas already 7 or 8 inches high. The same thing is true with respect to some of the summer crops.

No matter how speedily the Senate may act, there still has to be action taken by the House, and then there must be a conference between the two Houses, and then the administrative functions in the States must take place, in order to get the county committees as well as the State committees acquainted with the program.

If we get from 30 to 40 percent of the soil-bank program in operation the first year, we will be exceedingly lucky. That is not going to reduce the surpluses much. There must be a positive reduction in surpluses before we will start getting any benefits from the soil bank, except the cash rental which will be obtained from diverted acreage. But, psychologically, legislation will not firm up the market; it is going to be evidence of the disappearance of surpluses which will strengthen the market.

I fear we will well into the calendar year 1957 before the full effects of the surplus disappearance, through the operation of the soil bank, will be reflected in a firmed national market of the various grains involved in the acreage which will go into the soil bank. That is my only argument on the question of the 90 percent versus reduced or lower supports on commodities.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Of course, the distinguished Senator from Minnesota is thoroughly correct when he states that there will not be maximum employment of acreage reserves in the first year. No one could seriously contend otherwise. No one can say what percentage of the maximum will be in effect. It is our belief that if the bill is passed quickly, a very large percentage of it will be in effect.

I call attention to the point the Senator makes so well. He refers to winter wheat. If he will look at the plat on page 15, he will see the whole wheat program involves only one-third, \$250 million, of the annual program of \$750 million, which is planned for the first year.

Then let me say to my distinguished friend that, from my experience in something like this, but not exactly like this—because I do not believe there has been anything exactly like this—in my State we have found that the minute there is in effect a firm plan to retire surpluses from circulation, and to take that overhanging cloud out of the way, the very fact that the trade knows there is such a program, and that it is underway, has a very stimulating effect and greatly builds up morale.

One year we had in the State of Florida a great surplus of grapefruit; and we asked the Government to inaugurate a purchase program—I believe it was for the school-lunch program or for a similar program. That was announced, and it strengthened and stiff-



fened the market to such an extent that it was not necessary to purchase a single grapefruit. So the result hoped to be achieved from that program was achieved without making a single purchase.

Therefore, I wish to make the point that immediate good will come from having our agricultural population embark upon a program which will not continue the heartless, year-by-year overstimulation and piling up of more and more surpluses—which is what we have been doing—but, instead, finally will have their efforts addressed to a reduction of the surpluses.

Although, of course, later I shall speak in my own time, if my throat permits me to do so, about the 90 percent of parity situation, the reason why I so strongly oppose a return to the concept of 90 percent price supports is that I think it would cause us to try to move in opposite direction at the same time. The cart would be in one place, and one powerful horse would be trying to run to the north, and another powerful horse would be trying to run to the south at the same time—if we were to have price supports reinstituted at a fixed 90 percent level, and if at the same time the soil-bank plan were in effect.

I realize that this matter may be controversial. However, since I must leave the Chamber at this time, I wished to refer briefly to that point.

I also wish to say that I have been most interested in what my able friend, the Senator from Louisiana has said. His remarks have been most ably presented. At the same time, however, I wish to state that I do not agree with the concept of running in both directions at the same time.

Mr. THYE. Mr. President, before the Senator from Florida leaves the Chamber, I wish to say that he is answering his own argument in regard to 90 percent price supports. He feels very strongly that the psychological effect will be such that the national markets will reflect full parity, which is what all of us are endeavoring to achieve. If that happens, Mr. President, the entire matter of supports will be forgotten, and supports will no longer be needed—any more than a man would continue to need crutches if his feet and legs were in sound condition. So if prices of 100 percent of parity are reached, price supports can be thrown out immediately.

Mr. HOLLAND. Let me say that, judging from our experience over a long period, nothing that I can see indicates in the slightest measure that a return to 90 percent price supports will mean that we shall no longer have surpluses and that the market will build up to 100 percent. As a matter of fact, to the extent that we have had 90 percent price supports, we have mined our soil and have built up the enormous supplies in the storehouses.

Mr. ELLENDER. Mr. President, during my presentation of the bill, I hope to show that the so-called Steagall amendment and related emergency legislation, with which I am sure my friend, the Senator from Florida, is familiar, were placed on the statute books, not to offer increased full incentive in order to

increase production, but to do the very things we are now attempting to do, namely, to bolster farm income, and to protect farmers against having to sell in bottomless markets at the end of the war. Those amendments were placed on the statute books during World War II. I have some data regarding that matter, and in due course I shall present them.

As I said in my opening remarks, the only provision of the pending bill that gives the farmer hope for an immediate increase in his income is the provision increasing price-support levels; that is all. Otherwise, nothing substantial will come through until possibly next year. Of course, it is possible that some slight effect on farm income may be registered this year if the soil bank can be put into effect soon. In other words, by decreasing the acreage to be planted to wheat and to other grain crops, the result may be a slight increase in the prices of those commodities. But aside from that, no immediate relief is to be expected under the soil bank.

I believe that another part of the bill, which I shall discuss later, will assist the farmers in getting a little better price, particularly for perishables and for livestock. As my good friend, the Senator from Vermont [Mr. AIKEN], knows we provide in the bill for an increase in the amount of money which can be used by the Secretary of Agriculture to purchase perishable commodities. Those purchases can be made in the same manner as section 32 funds are now used. For that purpose, in the bill we have provided an authorization of a quarter of a billion dollars. If that amount of money, together with the \$462 million which we now have on hand in section 32 funds, is administered with the hands of an angel, and in the manner which we intend, we can get somewhere. But we must have someone administering the law who is in sympathy with it.

Mr. AIKEN. Mr. President, as I understand, the majority and minority leaders desire to have a quorum call. I wonder how long the remainder of the address by the Senator from Louisiana will require.

Mr. ELLENDER. I have not quite completed half of my prepared statement, and there are other matters which I should like to place into the RECORD, in connection with my presentation.

If Senators will bear with me, if I can proceed for perhaps 10 more minutes, I shall reach a point where I can suspend, if that is agreeable; we can then resume on tomorrow—provided, however, that I can obtain unanimous consent to have the floor when the Senate convenes on tomorrow.

So, Mr. President, in anticipation of the Senate recessing before I conclude my presentation, I ask unanimous consent that when the Senate meets tomorrow, I may be permitted to have the floor, at the conclusion of the morning hour.

The PRESIDING OFFICER (Mr. Young in the chair). Is there objection?

Mr. MUNDT. Mr. President, reserving the right to object, although I shall not object, I simply wish to take this opportunity to invite the other Members

of the Senate to be present tomorrow to listen to the presentation of this interesting report by the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER]. I note that with the single exception of the junior Senator from Nebraska [Mr. CURTIS], every Member now present on the floor of the Senate is a member of the Committee on Agriculture and Forestry. So I extend this invitation, in behalf of the chairman of the committee, because he is too modest to do so himself.

Mr. ELLENDER. Let me say to my good friend that I express the hope that on tomorrow more Senators will be present. However, I am not surprised or disappointed at the attendance at this time, because today is a legal holiday. We simply wished to start the ball rolling and begin the presentation of the bill today.

However, I have not yet reached the meat of the bill. On tomorrow we shall have an opportunity to do that.

Mr. MUNDT. I simply wish to have all Senators know that they are welcome, and that we hope they will be present to hear the discussion of the farm bill.

Mr. ELLENDER. Of course.

I also hope that on tomorrow we shall have at least as many members of the Committee on Agriculture and Forestry present as we have had today, because I am sure the chairman of the committee will not be able to answer all the questions which will be asked. He will be very glad to have all members of the committee present. Whenever the chairman of the committee gets bogged down, he hopes the other members of the committee will speak up.

The PRESIDING OFFICER. Is there objection to the request of the senior Senator from Louisiana that when the Senate convenes tomorrow he shall be entitled to the floor at the conclusion of the morning business? The Chair hears none, and it is so ordered.

Mr. ELLENDER. To continue with my prepared statement, I was discussing wheat, and I shall continue on that subject.

For 1956 the Secretary has retained the same 55 million acre national allotment for wheat as prevailed in 1955, but he has permitted the price support of wheat to flex downward to 76 percent of parity, or \$1.81 a bushel—43 cents a bushel less than it was in 1954, and 27 cents a bushel less than it was in 1955. Does anyone here in the Senate, or in the Department of Agriculture, for that matter, expect that the total plantings to wheat in 1956 will be less than the national acreage allotment of 55 million acres? I doubt that there will be any to predict that this will occur. The record already shows that the 1956 plantings of winter wheat—which comprises 75 percent of the total wheat crop—will amount to 45,203,000 acres compared to 44,393,000 in 1955—an increase in 1956 of almost 1 million acres over 1955. And yet, according to Mr. Benson's reasoning, and on which he bases his opposition to 90 percent parity price supports, lower price supports will bring about a shrinkage in production. Obviously, Mr. President, the Secretary of Agriculture is either



woefully ignorant of what is going on today in American agriculture, or he is talking through his hat.

Mr. President, I know of no better example to rebut the Secretary's argument that lower price supports will bring about reduced production, than what has happened in the dairy industry over the past several years. Now here is a nonbasic commodity—a highly perishable commodity—over which there are no production controls whatsoever. The laws of supply and demand, upon which our Secretary seems to rely so heavily, should surely operate in this industry, so that with a lower price to the producer, total production should drop in direct relation to the amount of the price reduction.

In 1953, Mr. President, we had 90 percent price supports for milk products—a continuation of the 90 percent support level that had prevailed under the prior administration. Total milk production on all farms for the year 1953 amounted to 121,149,000,000 pounds.

Then came 1954. Mr. Benson dropped the support level for milk to 75 percent of parity, and what happened? Total production on all farms, instead of dropping off sharply due to the impact of lower prices, climbed up instead to a new record high of 123,502,000,000 pounds.

In 1955 there was a further opportunity to prove the accuracy of our Secretary's premise that lower prices mean lowered production. Mr. Benson established 1955 price supports on butterfat at 76 percent of parity, and on manufacturing milk he fixed price supports at 80 percent of parity. Was there any dropping off of total milk production last year? Not only was there no reduction in total milk production, but once more the opposite trend set in, with milk production for the United States stepped up to another new record of 124,500,000,000 pounds. So, Mr. President, under 2 years of experimentation by the Secretary of Agriculture with flexible price supports, during which he dropped price supports on milk products from 90 percent of parity to a range of 76 to 80 percent of parity, we find that dairy farmers produced 3½ billion additional pounds of milk over the 1953 figure. And this, mind you, is with respect to a nonbasic, noncontrolled perishable commodity.

The estimates for 1956 milk production are at an all-time high.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I agree with the Senator that the figures show that when the support price of milk was dropped from 90 to 75 percent of parity, the following year production went up 3½ billion pounds. However, I point out that while production was going up 3½ billion pounds, consumption went up 10 billion pounds. I, for one, do not claim any great reduction in production when the parity level is changed. The difference comes in consumption.

Mr. THYE rose.

Mr. AIKEN. I see the Senator from Minnesota on his feet. I know that we

cannot mention the word "milk" without bringing him to his feet. [Laughter.]

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I point out that although there was a reduction in the income of the dairy farmer for the first year which was 1954, last year in 1955 there was an increase of about \$200 million in the income of the dairy farmer over the previous year. Unfortunately the State of Minnesota did not share in that increase, and I presume that is the reason why the Senator from Minnesota is now on his feet.

Mr. ELLENDER. The Senator from Vermont may recall that another reason was offered by the Secretary of Agriculture in support of lower support levels, namely, that lower price supports would mean lower milk prices, and that lower prices would have the tendency of causing consumers of fluid milk to use more of it. It is true that they used more milk, but the average cost to the consumer went up. The Senator knows that.

Mr. AIKEN. The consumption of milk has increased.

Mr. ELLENDER. Yes. The consumption went up, notwithstanding the fact that it cost the consumer more.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. In order that the RECORD may be informative, if the Senator from Vermont, who gave the figures with respect to the increased consumption, could place in the RECORD the information as to how much of the disappearance of dairy products went into feed mixes, and what percentage went into human per capita consumption, our RECORD would be crystal clear. However, the 10 billion pound disappearance, in itself, is not crystal clear, because there was a disappearance of powdered milk into feed mixes, which accounted for a great deal of that milk. There is not the increase in consumption by humans which the figures might lead one to believe.

Mr. AIKEN. Mr. President, if the Senator will yield at that point—

Mr. ELLENDER. I am familiar with what the Senator from Minnesota has said. As a matter of fact, a great deal of the powdered milk that was left over from prior years was disposed of for little or nothing. Butter was sold by the CCC in some instances, I am told, at 3 cents a pound.

Mr. AIKEN. No; that was disposed of in the year 1954. The increase of 10 billion pounds from 1953 took place in 1955, and it is largely accounted for by the fact that in about 18 months the dairy organizations of the country got busy and sold the milk in greater quantities. The other increase was accounted for largely by the increase in population.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. What I wanted to ask the Senator from Vermont was to make that statement in the RECORD, because in 1954 much of the product went into feed

mixes. Another reason was that in 1955 we had one of the hottest summers in the history of our country. In that time there was the greatest fluid-milk and ice-cream consumption that ever occurred. It was not due to the price factor, because that was not reflected to the consumer. The price of fluid milk remained the same, or about the same. The fact was that the producers assessed themselves so much a pound for their production and went into a campaign to sell the milk. They engaged in an advertising campaign, not only in the magazines and the newspapers but also over the radio and on television. That is what brought about an increase in consumption. It was not due to any drop in the price of milk.

The RECORD must be absolutely clear in that regard, because the farmer in the Midwest, who is in a surplus-producing area, did not get any benefit from the increased consumption of milk. His price has been dropping consistently, and he has been getting about 8 cents less than in 1955.

Mr. ELLENDER. As the Senator has stated, during the hearings it was pointed out that the method of advertising milk was changed. The milk producers had hired Bob Hope to advertise the sale of milk. Bob Hope might be a good salesman of women's lingerie, but that does not mean that he is a good salesman of milk. The milk producers soon realized this, and they hired Hopalong Cassidy and other cowboys, and they were able to get the children of America to drink more milk. They changed their method of advertising, and they got results. I hope they will continue to do so, and I hope that more and more of the milk which is being produced in unprecedented quantities will be disposed of in the raw state.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. The producers had lost 14 percent of their per capita milk sales in the few years when they were depending on the Government to buy their milk. When the Government ceased to buy the milk at a high price, the producers started to sell more milk. They have so far recovered nowhere near what they lost during the high-support years, but a good share of it has been recovered. What they have done by way of advertising has been good business practice, and they are continuing that practice. As the Senator from Minnesota has stated, the reason more people are using more milk is that the dairy people have been putting it up in more attractive packages and making it in more attractive flavors. It is possible to buy almost any flavor of cheese, and it is possible to have any kind made to order.

Through their advertising campaign they have recovered a great deal of what they lost, although they have not quite caught up yet. They have recovered sufficiently so that the total received from dairy products in 1955 was about \$200 million more than in 1954.

Mr. ELLENDER. I should like to state to my good friend from Vermont



that I cited these figures merely to show that lower farm prices for milk did not bring about a lowering of production, as has been contended by Mr. Benson. That has been the basis of his argument. He also stated, as I remember, that a lower price support would mean cheaper merchandise, and that it would be bought in greater quantities by the consuming public because of the cheaper price.

So far as the price of milk is concerned, I believe we have evidence in the RECORD to show that where milk-marketing agreements were in effect the price to the consumer did not diminish. On the contrary, in most cases, the prices went up.

Mr. AIKEN. That was unfortunately true.

Mr. ELLENDER. That is diametrically opposed to the contentions of the Secretary of Agriculture. Let us not forget this fact, too. As the Senator from Minnesota [Mr. THYE] has pointed out, the milk people have in a measure benefited by the Government's disposing of a great deal of accumulated butter and cheese and powdered milk, which had been in storage.

Mr. AIKEN. That is correct; butter and powdered milk.

Mr. ELLENDER. The loss which has been sustained by the Commodity Credit Corporation since 1954 in disposing of surplus dairy products amounts to about \$700 million. The record shows that.

Mr. AIKEN. We will be fortunate if it does not amount to a billion dollars before we get through with it.

Mr. ELLENDER. I am not complaining about it. I am merely pointing to these figures to show how this factor has influenced the change in the milk consumption.

Mr. AIKEN. At the present time there are fewer dairy products in storage, both in Commodity Credit Corporation storage and in private storage.

Mr. ELLENDER. That is because the products have been frequently given away.

Mr. AIKEN. There is less in storage than in many years. The Commodity Credit Corporation has sold most of its butter. I believe 30 million pounds are left. Most of what is left is in powdered milk, and there is a considerable quantity of cheese left also.

Mr. ELLENDER. As the Senator from Minnesota [Mr. THYE] has pointed out, millions of pounds of powdered milk went into feed for hogs.

Mr. AIKEN. It is unfortunate that when the price to the farmer goes down, the consuming public does not get the benefit of it, and somebody else always steps in to take the difference in the price. However, when the price to the farmer goes up the price to the consumer also goes up.

Mr. ELLENDER. Mr. President, I shall take the time of the Senate to cite just one more example of the confused thinking of our Secretary of Agriculture on the subject of what makes the American farm economy tick. In 1954, the national acreage allotment for corn, in

the commercial corn-producing area, amounted to 46,996,000 acres. The support level was established at 90 percent of parity. As Senators know, the corn price-support program works somewhat differently from the support program for the other basics, in that marketing quotas are not invoked in the Corn Belt. Thus, a farmer may elect to either comply with his individual acreage allotment and thereby become eligible to participate in the price-support loan and purchase features of the program, or he can disregard his acreage allotment, plant all the corn he wishes, and dispose of it on the market at whatever price he can get, and without any penalty whatever. Under this type of program, in 1954, corn farmers in the commercial area planted 57,173,000 acres of corn. The average price received by the farmer on the market for corn in 1954 was \$1.43, compared with a support price of \$1.62.

Now, in 1955, the Secretary established the national acreage allotment for corn at 49,843,000 acres, with a support price of 87 percent of parity, or \$1.58 per bushel. Faced with the prospect of even less Government assistance in maintaining a price at or around parity, did the corn farmers of the commercial belt reduce their acreage, as should occur if the philosophy of the Secretary of Agriculture is sound? No, they did not. In 1955, they planted 57,209,000 acres to corn—just slightly over the amount they planted in 1954. Bear in mind that in 1955, the corn farmers of the United States received an average of \$1.31 per bushel, compared with the announced support price of \$1.58.

Again, in 1956, what will the corn farmers of the commercial area do, when the Secretary has lowered the national acreage allotment to 43,281,000 acres, and flexed the support price downward a full 6 points, to 81 percent of parity, or \$1.40 per bushel? If the Secretary's reasoning is correct, corn acreage in the commercial belt should drop, in direct relation to the anticipated price the commodity will bring on the market. Yet we find Department of Agriculture officials, in testifying before the Senate Agriculture Committee just a short while ago, predicting that unless something is done, over and beyond the incentives contained in the pending bill, to encourage corn farmers to participate in the soil-bank program, we can expect another huge planting in the commercial Corn Belt—at least 56 million acres.

I repeat, Mr. President—either our Secretary of Agriculture is woefully ignorant of what is going on today in American agriculture, or he continues to whistle in the dark in the hope that lightning will strike.

Mr. President, I should like to place in the RECORD at this point several statements made by the Secretary of Agriculture in some of the reports which emanated from the Department since he took office. For instance, in his report in 1953 Mr. Benson said:

As for price and income, the outlook indicates that most of the price adjustments

have been made and the situation has now become fairly stabilized. Farm prices in 1954 may decline slightly, but costs are also expected to dip downward. Of course, we are not satisfied with the present level of farm income. It is not enough that prices be stable if they do not give farmers their rightful share of the national income. Our goal is a farm program that will enable farmers to obtain their rightful share.

The Secretary stated that the retreat of farm prices and farm income had been stopped. Remember, that was a statement made in 1953. But prices and income have gone down further and further.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. At what time in 1953 was that statement made?

Mr. ELLENDER. It is in the report of the Secretary of Agriculture for 1953. I cannot find the exact time, but, evidently, it was made in the early part of 1954, because it is the Secretary's annual report for 1953.

Mr. JOHNSTON of South Carolina. At that time the national net income of farmers was \$13.2 billion, according to the Secretary's own report. For the fourth quarter of 1955 it was \$10 billion. It did not remain stabilized; it dropped quite a bit. So that report is incorrect.

Mr. ELLENDER. It is incorrect. But it is my hope that things will really get better in the months ahead. The Secretary of Agriculture, in my humble opinion, has been not very sympathetic to the price-support program. It is my hope that if the bill is passed, as we are presenting it, he will be either more sympathetic to it or that the President will get someone in his place who will be sympathetic in administering the program.

Mr. President, I do not wish to take too much of the time of the Senate, but I have other such statements by Mr. Benson which I should like to have incorporated in the RECORD at this point, and I ask unanimous consent that they be so incorporated.

The PRESIDING OFFICER (Mr. Young in the chair). Without objection, it is so ordered.

The matters referred to are as follows:

#### STATEMENTS OF SENATOR BENSON

January 1954, before the Senate Committee on Agriculture and Forestry:

"In the year ahead, the realized net income of farm operators is likely to hold near the 1953 level of \$12.5 billion."

Comment: Net farm income in 1955 was \$10.6 billion.

April 21, 1954, before the Senate Committee on Agriculture and Forestry:

"I say categorically that the farmers' share of the consumer's dollar has not declined under this administration nor have retail food prices moved upward."

Comment: Farmers' share of consumers' dollar in April of 1954 was 44 cents. By December of 1955, it had dropped to 38 cents.

Other statements:



| Date          | Benson said:                                                                                                             | Parity ratio | Date reported <sup>1</sup> |
|---------------|--------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|
| Feb. 11, 1953 | "... analysis leads us to expect no major changes (in farm price) during the next several months."                       | 94           | Feb. 15                    |
| Apr. 7, 1953  | "Our analysts ... anticipate that prices of farm products during the spring and summer will be steady."                  | 92           | Apr. 15                    |
| Oct. 21, 1953 | "It's my belief that the major price declines are behind us."-----                                                       | 90           | Nov. 15                    |
| June 30, 1954 | "It (last month's 4 percent farm price decline) does not indicate a general weakening in the farm price structure."      | 88           | July 15                    |
| Jan. 7, 1955  | "I am convinced that for agriculture the road ahead will be smoother than the one we have been traveling."               | 86           | Jan. 15                    |
| June 15, 1955 | "I am confident that we have seen the worst of the transition which agriculture goes through following every major war." | 84           | July 15                    |

<sup>1</sup> The parity ratio is reported as of the 15th of each month.

Comment: The parity ratio on January 16, 1956, was 80.

Mr. ELLENDER. Mr. President, my good friend from Vermont [Mr. AIKEN] asked a moment ago whether I wished to complete my statement tonight. It is now quarter of six, and I know I cannot complete it tonight. I am a little over halfway through. It is my hope that tomorrow there will be more Senators present. I express the hope that as many members of the committee as we have had present this afternoon will be on the floor tomorrow, so we can engage in a debate to make crystal clear is possible, what the bill proposes to do, in the hope that we can vote on the measure not later than Tuesday or Wednesday of next week. I am sure my good friend from Kentucky [Mr. CLEMENTS] will assist us in trying to attain that aim.

Mr. CLEMENTS. Mr. President, I will say to my good friend from Louisiana that his suggestion that we may get a vote on the bill in the early part of next week is encouraging. I certainly recognize the fact that it is a measure of such importance that it should be discussed fully and completely, in every detail, on the floor. I should think that Tuesday or Wednesday of next week would probably afford the time needed on this place of proposed legislation. I ask my distinguished friend from Louisiana if he believes that much time will be required to bring the bill to a vote.

Mr. ELLENDER. From the conversations I have had with Senators who are desirous of offering amendments, I would say it would hardly be possible to vote on the bill before Tuesday or Wednesday of next week. I express the hope that some working arrangement can be made between the majority leader and the minority leader toward trying to get a limitation of debate after this week so that we can fix a day certain on which to vote, and have the Senators who desire to express themselves in the meantime take the floor. By fixing a date certain, I am sure we can make a good deal of progress toward completing the consideration of the bill and having it in conference by the middle of next week.

Mr. CLEMENTS. Is it the chairman's view that no request is likely to be made for a limitation of time until Monday of next week?

Mr. ELLENDER. I hope we can fix a date before that time.

Mr. CLEMENTS. Even if it is fixed before that time, am I to understand the Senator's view to be that he would not

want the vote to be taken before Tuesday?

Mr. ELLENDER. I should like to see the bill voted on by Friday, but I am a realist and I doubt, with the many amendments that are being proposed, that I can be so optimistic as to suggest we can get through the bill tomorrow or next day.

Mr. CLEMENTS. There will be no session on Saturday.

Mr. ELLENDER. The Senator has already indicated that. It strikes me that if we debate the bill through Friday afternoon, and if Senators remain and ask such questions as they may desire to propound, we can get through with a discussion of the bill this week. It is not very complicated, so far as the matters at issue, including the 90 percent price support, are concerned. I do not suppose that many Senators can be prevailed upon to change their minds on any of the basic issues embodied in the bill. I think many of them have already changed their minds, and I hope they will remain that way.

I want to be realistic. I realize that many Senators may have to leave Washington over the weekend. Therefore, they wish to be assured that no serious business will be transacted on Friday. I hope Senators can be given assurance that there will be a vote on the bill on, let us say, next Tuesday, or on Wednesday at the latest. It should be possible to complete action on the bill by that time and then to proceed with other matters.

I urge my good friend from Kentucky not to let anything interfere with the debate on the farm bill. Let us continue with its consideration until we have finished with it. Let us try to get Senators to talk about the farm bill, and to forget about everything else for the time being. Since last October I have devoted the major portion of my attention to this legislation. Since I returned to Washington on January 1, I have left nothing undone in an all-out effort to have it on the President's desk sometime in the early part of March, not later than the 15th. If we set that date as the goal, I am certain we can achieve it.

Mr. CLEMENTS. The Senator is unusually modest when he speaks about this measure having occupied his time since last October. If my memory serves me correctly, a vote was taken in the Committee on Agriculture and Forestry last May which charted the way for the bill to be taken up at this time rather than to be considered at the close of the last session. It has been my

understanding, and certainly my observation, that the Senator from Louisiana has been very active in working on the proposed legislation from that time until now.

Mr. ELLENDER. I made a slight error of about 5 months.

Mr. CLEMENTS. I felt certain the RECORD ought to be cleared to that extent.

I appreciate what the Senator from Louisiana has said. There is no way whereby assurance can be given as to when a measure will be voted on, unless a time certain has been set to do so. I was very much interested in having the Senator's views as to whether he thought it was possible to have an agreement to limit debate considered prior to Monday. From what the Senator has said, with only 2 days remaining of this week, with the great interest there is in the Senate and throughout the country in the bill, and important as the bill is to the people of the country, I am taking it for granted that probably the limitation of debate will not be asked for until Monday.

I should like to ask the Senator from Vermont if that is not probably in line with his thinking.

Mr. AIKEN. That is generally in line with my thinking. We know that several amendments, probably important amendments, are in process of preparation now. I hope Senators who intend to submit amendments will have them printed this week at the latest, so that the committee will have a chance to study them.

We realize, also, that there are always some Senators who are out of town, and who should have notice of when an important vote is to take place. It is my thought that probably by Monday it would be possible to secure a unanimous-consent agreement, thus giving the absent Senators time in which to return to Washington, even if it be necessary to shorten the debate after the voting starts on the various amendments.

Mr. CLEMENTS. I could not agree more with the Senator from Vermont, and I, too, urge Senators who have had an opportunity to study the bill to submit the amendments they intend to propose and to have them printed at the earliest possible date. I am certain that any Senator who intends to offer an amendment to the bill will also come to the Senate prepared with what seems to him to be a good, sound argument for it.

Mr. AIKEN. I do not know why the Senate should spend much time in debating 90-percent rigid supports or dual parity, or possibly 1 or 2 other amendments. But there are some amendments in which all Senators are interested, one way or the other, and which should be explained and debated fully on the floor. I hope those amendments will make their appearance promptly, and that their sponsors will make their arguments for the amendments as soon as they have them prepared.

Mr. CLEMENTS. The Senator mentioned a very important segment of the bill when he spoke of the 90-percent supports. I trust the Senator from

Louisiana was referring to that part of the bill a while ago when he said he thought there had been some change in sentiment among the Members.

Mr. AIKEN. I hope so, too.

Mr. ELLENDER. That was not wishful thinking, either.

Mr. CLEMENTS. The Senator from Louisiana heartens me, for I now believe that a sufficient number of Senators realize the great hurt that came to agriculture through the passage of the leg-

islation which is now on the statute books.

Mr. AIKEN. Let me assure my friend from Kentucky that my remarks were not intended to hearten him in that respect.

Mr. CLEMENTS. I can assure my friend from Vermont that I wanted to be heartened, and this is the only way I know of in which I can get any encouragement for the farmer in the days that lie ahead.

Mr. ELLENDER. Mr. President, I yield the floor.

#### RECESS

Mr. CLEMENTS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 23, 1956, at 12 o'clock meridian.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 24, 1956  
For actions of February 23, 1956  
84th-2nd, No. 31

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HIGHLIGHTS: Senate continued debate on farm bill. House committee reported bill to amend watershed law. House committee reported bill to increase wheat allotments and quotas in certain States. Rep. Sikes introduced and discussed bill to provide tree planting on surplus croplands.

## SENATE

1. FARM PROGRAM. Continued debate on general features of the farm bill (S. 3183). pp. 2738, 2767, ~~2753~~
2. ELECTRIFICATION; RECLAMATION. Sen. Langer inserted resolutions adopted by the Sheyenne Valley, N. Dak., Electric Cooperative favoring expansion of the rural electrification program, opposing a Hoover Commission proposal relating to the program, and urging full development of the Missouri Basin. p. 2726
3. PARITY. Sen. Langer inserted a GTA Grain Elevator Line resolution urging 100 percent of parity for farm products. p. 2726
4. DAIRY RESEARCH. Sen. Wiley inserted a Columbia Co., Wis., resolution favoring the establishment of a dairy research building in Madison, Wis. p. 2726
5. AUDITS. Received from the Government Operations Committee a report, "A Review of the Audit Reports of the Comptroller General," containing an outline of the comprehensive audits of the various departments (S. Rept. 1572). p. 2727
6. FOREIGN TRADE. Sen. McClellan criticized the easing of restrictions on trade with Communist-bloc countries, and discussed the matter with other Senators. p. 2771

7. TRANSPORTATION. Sen. Smathers inserted a recent speech by Sen. Magnuson discussing The Cabinet Committee's report on transportation. p. 2778

HOUSE

8. WATERSHEDS. The Agriculture Committee reported with amendments H. R. 8750, to amend the Watershed Protection and Flood Prevention Act (H. Rept. 1810). pp. 2795, 2872
9. WHEAT. The Agriculture Committee reported without amendment S. 2884, to provide for an increase in wheat acreage allotments and marketing quotas in certain States (H. Rept. 1807). p. 2872
10. FOREIGN TRADE. Rep. Lane expressed his opposition to the bill providing for U. S. participation in the OTC, as being inimical to the best interest of American industry and labor. p. 2789  
Rep. Bailey criticized OTC and GATT and opposed U. S. participation in this organization and agreement. He alleged that Congressional control of imports and exports of farm products would be harmed by U. S. participation in these organizations. p. 2849
11. TRANSPORTATION. Rep. Priest urged that the ICC use caution in granting increased rates to railroads and other common carriers. p. 2790
12. ELECTRIFICATION. Rep. Abernethy criticized the Administration's amortization proposal for TVA and urged that TVA be authorized to issue its own bonds for the financing of necessary improvements. p. 2790
13. PERSONNEL. Rep. Lesinski spoke in favor of his bill H. R. 9473, to amend the Civil Service Retirement Act, and urged that the provisions granting increased annuities to present annuitants be given favorable consideration. p. 2790
14. RECLAMATION. Rep. Miller, Neb., cited Congressional authorization of funds for irrigation and reclamation projects in foreign aid bills and urged that favorable consideration be given to the proposed Colorado River project. p. 2792  
Rep. Hosmer inserted quotable remarks from Sen. Douglas expressing opposition to the proposed Colorado River reclamation project. p. 2792
15. FARM PROGRAM. Rep. Hoffman inserted the text of a Lincoln Day address by Rep. Vursell commending the efforts of the present administration to deal with the problems of price supports, surpluses, pork production, and farm commodity exports. p. 2853
16. COMMITTEE ASSIGNMENTS. Elected Reps. Holland and Healey as members of the Banking and Currency Committee. p. 2791
17. LEGISLATIVE PROGRAM. The Majority Whip, Rep. Arends, announced that on Tues., Feb. 28, H. R. 3383, to authorize the construction, operation, and maintenance of the Colorado River reclamation project, would be considered, and that this would carry over until Wed., Feb. 29; and that on Mar. 1, the House would consider the General Government Matters appropriations bill for 1957. p. 2791
18. ADJOURNED until Mon., Feb. 27. p. 2871



as they see fit, drawing funds from the foundation on vouchers and accounting in detail on the public record.

If the scheme worked well, Allen figures State legislators could then charter State foundations to take over State and local contributions—or the Federal foundation might be limited to funds for Federal office, leaving to State foundations the job of raising funds for use in State and local campaigns. A good many variants on these ideas are possible. One point is important: A lot of people would contribute to a nonpartisan foundation who would not contribute to either party.

In Minnesota the Democratic-Farmer-Labor Party sponsors the Minnesota Foundation for Political Education, modeled on European party fund-raising tactics and experiences. This foundation has begun to collect contributions from \$1 to \$100 and gets 1 percent of the net proceeds of such party affairs as the Jefferson-Jackson Day dinners and congressional dinners for its endowment fund.

The idea of this foundation, in Allen's words, is to improve political ethics in the State to the end that campaigns in Minnesota will be educational in value rather than merely biennial emotional binges. The word "educational" includes the idea of lecture courses, political reading rooms on the Swedish model, schools for candidates, fellowships for youthful and impoverished candidates, and political internships such as some colleges and other groups now annually conduct in Washington Government and congressional offices.

Allen's ideas are certain to run into a lot of practical objections from practical politicians who would prefer to let things remain as they are. But the \$2,500 campaign contribution to Senator FRANCIS CASE (Republican, of South Dakota) already has opened up the contributions issue despite the practical men in Congress who would have preferred to keep the lid on. If the future investigation turns out to be meaningful, such ideas as those Allen offers may serve as models for cleaning up one of the least odoriferous phases of the democratic process.

Mr. HUMPHREY. Mr. President, I hope the special committee which was authorized by the resolution agreed to yesterday will most carefully and in considerable detail consider the suggestions which have been made by Mr. ALLEN. If only we would seek it, there is a great fund of information to be obtained from many of the nonpartisan and thoroughly professional groups throughout the country, which would contribute to the deliberations of the special committee.

At a later time I shall address myself in greater detail to this all-important subject matter. I commend the present Presiding Officer, the distinguished Senator from Oregon [Mr. NEUBERGER], upon the introduction of his bill. I think it is a very constructive proposal and one which merits the utmost consideration by Congress.

#### PROPAGANDA AGAINST COLORADO RIVER STORAGE PROJECT

Mr. ALLOTT. Mr. President, I regret to say that in the propaganda now being circulated by organized opposition to the Colorado River storage project, some of which has appeared in the RECORD from time to time, there is a great deal of misinformation and distortion of fact.

Mr. Barnet Nover, a veteran correspondent and chief of the Denver Post

Washington bureau, in his column of February 19 in the Denver Post, has ably pointed out some of these falsehoods and distortions. I ask unanimous consent to have the column printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### ROUNDUP ON THE POTOMAC (By Barnet Nover)

WASHINGTON.—As the day nears when the House of Representatives will begin taking up the bill authorizing the upper Colorado storage project, the shrieking and shouting, the calculated distortions and out-and-out prevarications of the southern California water lobbyists are reaching new highs.

The theory they are operating on is the one dreamed up by Hitler and perfected by the Kremlin, namely, the greater the lie the more people are likely to believe it, particularly if the lie is repeated often enough and loudly enough.

A good example of this southern California "big lie" technique is to be found in the latest folder the Colorado River Association of Los Angeles has now begun to distribute literally by the millions.

The point of the folder is that it makes no sense to be taking "40 million acres of land out of production and put it in a so-called soil bank 'while adding' 580,000 new acres of arid mountain land in Colorado, Utah, New Mexico and Wyoming at a cost to the Government (you) of \$4 billion."

"And these lands," the folder continues "would grow more surplus crops."

This contention would make sense if it were true. It happens that there is not a shred of truth in it, as the southern California water lobbyists know perfectly well.

They come from a State which has benefited more from the 54-year-old reclamation program than any other State in the Union.

They knew—since the figures are abundantly available—that only a negligible percentage of the irrigated crops produced in California or in any other reclamation State is in the surplus category.

In fact, their own propaganda bears this out.

On the front page of this particular leaflet are pictures of a bulging bin marked "butter, milk, cotton, wool," and a bursting crib marked "corn, wheat, rice, grains." These are the surpluses costing the Government \$8 billion which are horrendously portrayed on the front page of the folder, aside from grains, which presumably would include feedstuffs grown on irrigated lands and not in surplus, not a single one of these products is produced in any considerable quantities on reclamation lands.

This fact was pointed out for the umpteenth time by W. A. Dexheimer, United States Commissioner of Reclamation, in a speech in New York last week.

Paying his respects to what he described as "the scattergun attack" launched on the upper Colorado project by southern California, and to the "apparently limitless war chest" which "has enabled this opposition to take a one-sided story to the far corners of the country," Dexheimer recalled some of the extraordinary economic benefits the Nation has derived from reclamation projects.

He cited the Boulder Canyon project, the Imperial Dam, the All-American Canal, the Colorado-Big Thompson.

With the exception of some cotton acreage, he said, none of the millions of dollars of agricultural products produced by those projects was in surplus.

"Most of it," Dexheimer explained, "was high priced specialty crops such as head lettuce and carrots for your winter salads. The same holds true of our other projects as well. Only a small tonnage of price-sup-

ported crops is grown on reclamation projects."

Then there is this matter of cost. The leaflet in question uses again that wholly discredited figure of \$4 billion as the alleged cost of the upper Colorado scheme.

The House measure, soon to be voted on, has a price tag of only \$760 million. But what is a 500 percent plus distortion to the sun-tanned Goebbelses of Smogland? The bigger the lie \* \* \*

Also, nowhere in the leaflet is there the slightest suggestion that any of the money to be appropriated for the construction of the storage plan will be repaid, even though most of it will; that it will take 20 to 25 years to complete the project; and that repayments will begin long before the project has been finished.

The further thought occurs that since President Eisenhower favors the project, as he has repeatedly made clear, he, like its other advocates, is trying to perpetuate a fraud on the American taxpayer.

Is this what the Colorado River Association of Los Angeles wants the country to believe?

#### SUSPENSION OF WES SANTEE BY AMATEUR ATHLETIC UNION

Mr. CARLSON. Mr. President, last Monday morning I called the attention of the Senate to what I described as the cruel and unfair treatment given one of our Kansas boys, Wes Santee, by the Amateur Athletic Union.

I can report that there is general indignation throughout the Nation over this incident. The American people believe in fair play, and the autocratic attitude of the AAU in suspending Wes Santee from amateur standing for life is more than they are going to take without moral indignation and resentment. They are expressing themselves in no uncertain terms.

Typical of the correspondence and telegrams I have received from all over the Nation are some of the messages I have received from Kansas, and I ask unanimous consent that they be made a part of these remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

GREAT BEND, KANS., February 21, 1956.  
The Honorable FRANK CARLSON,  
United States Senate,  
Washington, D. C.

DEAR SENATOR CARLSON: We are shocked and disturbed at the AAU-Santee ruling which in effect places the 1956 United States Olympic team at the mercy of the known professional athletes of Russia.

We request the Congress of the United States protect the distinguished reputation of this country's Olympic team, and protect the citizens of the United States from the humiliation of a Russian propaganda. Introduce corrective legislation if need be, to rectify this shameful, undeserved abuse of our Nation's top miler from Kansas.

Respectfully,  
THE GREAT BEND ROTARY CLUB,  
WILLIAM C. COOK, President.

GREAT BEND, KANS., February 21, 1956.  
The Honorable FRANK CARLSON,  
United States Senate,  
Washington, D. C.

DEAR SENATOR CARLSON: The suspension of Kansas miler king Wes Santee strikes us as an outrage—ruinous to Wes, crippling to this Nation's 1956 Olympic hopes.

As one of the clubs of the national Jaycee organization pledged to help raise a million



dollars for the Olympics, we feel the AAU owes this Nation and us an answer. We respectfully urge a Senate inquiry of this shocking affair, hopeful that any and all steps will be taken to protect the rights of the American citizen not be humiliated before the world next summer by the salaried professional athletes of the U. S. S. R.

Respectfully,

GREAT BEND JUNIOR CHAMBER OF COMMERCE,  
CHRIS HILDENBRAND, Jr., President.

LAWRENCE, KANS., February 22, 1956.

Senator FRANK CARLSON,  
Senate Office Building:

We wholeheartedly commend and endorse your interest and efforts on behalf of our fellow Kansan, Wes Santee. We feel confident that the entire State of Kansas joins us in strenuous protest against the gross injustice and despicable treatment meted out by the AAU to Santee. It is suggested that you contact Vincent X. Flaherty, sports editor, Los Angeles Examiner, who has publicly stated in his column, that he has definite knowledge of one track athlete who accumulated \$2,000 on four amateur track appearances, and further states that he has additional ammunition for Santee.

You are assured that you will gain the enduring gratitude and appreciation of all Kansans for your continued efforts in rectifying the base injustice done to a western Kansas boy.

SPORTS COMMITTEE, CHAMBER OF  
COMMERCE, LAWRENCE, KANS.

GREAT BEND, KANS., February 22, 1956.

HON. FRANK CARLSON,  
United States Senate,  
Washington, D. C.

DEAR SENATOR CARLSON: Argonne Post, No. 180, American Legion of Great Bend, Kans., by proper motion unanimously and respectfully urges you to initiate a Senate inquiry into the shocking and disgusting AAU-Santee incident, and that corrective legislation be enacted if need be to free our athletes from such prejudiced and petty tyrannies so abhorrent to the American way of life. We appeal to you to help insure all of our American athletes fundamental fairness and freedom from such reprehensible and irresponsible attacks.

We feel action imperative not only because of the vicious, undeserved, and isolated crucifixion of our greatest United States distance runner, Kansas athlete, United States marine, and Legionnaire, but most of all because the final effect of this AAU hypocrisy might well be to bar every United States athlete of prominence from any competition, and to set the stage for the humiliating defeat of our heretofore distinguished Olympic team this summer.

We don't think the United States, because of AAU stupid and outmoded ideas of amateurism should be placed at the mercy of the known salaried professional athletes of Russia, and our citizens and way of life undergo another humiliating Communist propaganda defeat before the eyes of the world.

Respectfully,

ARGONNE POST, No. 180, AMERICAN  
LEGION. BOYD, ADJUTANT.

Mr. CARLSON. Mr. President, I also ask unanimous consent to have printed in the RECORD an article which appeared in a recent issue of the Washington Post and Times Herald in regard to the suspension of Wes Santee by the Amateur Athletic Union. The article was written by Shirley Povich, who is one of the outstanding sports writers in the Nation.

There have been thousands of articles written in regard to the Santee suspension, and this one is not only typical,

but is a correct statement of the situation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS MORNING

(By Shirley Povich)

Always more or less present in the editorialists' precincts is the temptation to rear back and stomp on the AAU. Maybe that is because the AAU is an outfit with a high quota of badge-wearing stuffed shirts who come out of the woodwork at intervals and nibble at the edges of the fame of the athletes they have enrolled.

Usually, the deterrent is that it isn't a very sporting contest and sometimes is compared to shooting fish in a barrel, because there is no escape for the AAU people from their own entrapment. In fact, if it were not for the damage they sometimes do, they could be called career chumps.

However, in the Wes Santee case the other day in which they came up with the decision that there was cause for lifetime expulsion from amateur ranks, the AAU action had considerable merit. Too bad they bungled it by singling out the wrong defendant.

They should have brought not only Santee but those 22 conniving rules-breaking badge-wearing AAU track meet promoters before the bar of AAU justice. Theirs were the greater sins. Santee admitted taking more money than the rules allowed for his appearances in meets, but says he was baited into it by the AAU's own pious members.

Unless the AAU follows up the disbarment of Santee with similar action against every one of its officials involved in the mess, its decree against the Kansas miler must stand as an unconscionable thing more reprehensible than anything he has been accused of.

Santee told this bureau yesterday that he did not deny the allegations that he received more expense money than the rules allow, except in one instance when he denied knowledge of a \$400 payment to his father-in-law.

"Here's the way it worked, though," Santee said.

"These people who run the AAU meets would phone me and ask me to run in their meets. I guess they wanted me because I've run the mile faster than any other American and would help their gate receipts.

Always, they asked me how much I wanted for expenses. They knew the rules put a limit of \$15 a day and transportation on the expenses, but that didn't stop them from asking me my price.

"I never gave them a price. I never held out for any figure. They were the ones who always asked me if I would take, say, \$200 for the trip. I'd say 'Yes' and I knew it was more than I was allowed. But so did the AAU promoters, and they were the ones who instigated the overpayment."

Certainly there are some questions to be asked of the AAU, as Senator CARLSON, of Kansas, has said he will ask in a congressional investigation of AAU tactics. The first one that pops into mind is, was it Santee's responsibility to keep in line those AAU track people who, in effect, bribed him to enter their special, favorite meets? That would be tantamount to reminding the enforcers to obey the law.

And how come the AAU did not show the same vigorous interest in investigating those AAU promoters who propositioned Santee into violating the rules? Their sins are down in black and white on the financial statements of the meets they conducted, yet all they drew was a wrist-slapping reminder not to do it again.

Oh, there were a couple of expulsions besides Santee's that were handed out. Two California AAU officials were given the heave; also a man described as a publicity director

for one of the meets. In the case of the publicist, however, the AAU was tossing out a fellow who wasn't even an AAU member, it was later learned. But the big body of AAU promoters who offered the money that Santee accepted were given only a mild reprimand.

The overpayments to Santee added up to a sum something less than colossal, about \$1,500 for the 22 meets in which he engaged. Granted that it was not the size of the payments but the principle of them, the action against Santee appears to be excessively harsh, particularly in view of the lack of action against the equally sinful AAU promoters.

It's rough on a lad who for 11 years has dreamed of winning the equivalent of the Olympic mile and now is branded for life. The tragic thing is that life ban, by itself, is a powerful association of words in the public mind. It could leave a man undeservedly marked even if his sin were no more than picking violets out of season, which might earn him ban for life from the Great Eastern Region Horticultural Society Accreditation Department.

The treatment given Santee might be more easily condoned if it were not an AAU action. That outfit's contributions to amateurism are often suspected, particularly in terms of those expensive Olympic junkets on which badge-wearing officials are almost as numerous as the athletes. "Oceangoing hitchhikers," the articulate Phog Allen, Kansas University coach, once called them in what was, for Allen, mild disgust.

#### AGRICULTURAL ACT OF 1956

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Without objection, it is so ordered.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

The PRESIDING OFFICER. Under the order entered on yesterday, the Senator from Louisiana has the floor.

Mr. ELLENDER. Mr. President, on yesterday during the course of the debate on the farm bill, I pointed out that only two provisions in the bill would give immediate help to the farmers of the United States during 1956. One of those provisions is an increase in the support levels; the other is an authorization of a quarter of a billion dollars to supplement section 32 funds. It will be recalled that under section 32, only one-fourth of the funds available can be spent for any one commodity. On the other hand, the \$250 million provided for in this measure has no restrictions attached; all of it or half of it or one-fourth of it can be spent for any particular commodity.

On yesterday, Mr. President, I also pointed out that, contrary to the position



taken by Mr. Benson, lower price-supports do not decrease the production of farm commodities. I think I demonstrated that fact in referring to what has happened in the last 3 years with respect to our basic commodities. I documented the fact that lowered support levels do not bring decreased production, or decreased plantings of allotted acres. On the contrary, as price-support lands have dropped, farmers have increased their per acre production and have planted all, or practically all of their acreage allotments.

At this time I wish to continue with my main address, which as I indicated yesterday, is a general statement of the provisions of the bill. I invite any Senator to ask questions at any time he may desire; and if I can answer them, I shall be delighted to do so.

Mr. President, before the hearings on the farm program began, I had high hopes that any new farm legislation would contain a formula whereby the Government could support the prices of readily merchantable commodities—that is to say, farm commodities for which a ready demand exists—at high levels, and could permit supports for less desirable commodities to flex downward to lower levels. I felt that by so doing we could stimulate the production of grades and kinds of farm commodities which could flow into channels of consumption, which would better meet the actual market requirements, and discourage production of less desirable types and grades of commodities.

Unfortunately, this idea had to be abandoned. The Committee on Agriculture and Forestry was informed by the experts of the Department of Agriculture that it would be impossible to write into law any standard which could be applied to determine which commodities are readily salable. In other words, the Department officials took the position that if we attempted to follow through on the theory of basing support levels for farm commodities on the desires of the market, we would place the administrators of the law in an impossible position. We were told that one grade of a commodity which is in demand today may not be in demand tomorrow. In addition, grades of commodities vary from region to region, from State to State, and from farm to farm. All in all, it seemed that it would be impossible to reach an agreement as to how to define, for price-support purposes, which commodities are readily salable and which are not.

I may add, Mr. President, that soon after we concluded the hearings last November I wrote to many millers, to spinners of cotton throughout the country, and to others who handle and process our basic commodities; I asked for their suggestions, ideas, and views as to whether or not we could write a formula to carry out the thought I had in mind. I was told by them that it would be a practical impossibility. Therefore, as I have said, the committee abandoned that proposal.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I offered an amendment—and it was approved by the committee—which would provide 90 percent supports on a quality basis for wheat. It would go only part way in that direction of quality. It would provide that 90 percent supports would be available to producers who plant wheat seed which normally would produce a good quality of wheat.

Mr. ELLENDER. Yes.

Mr. YOUNG. That would afford a limited provision based on quality.

Mr. ELLENDER. Yes.

Mr. YOUNG. It would provide 90 wheat which normally produce good percent supports for all varieties of quality.

Mr. ELLENDER. It is my hope that the yardstick, outlined by my good friend from North Dakota, will work. However, he will remember that members of the staff of the Secretary of Agriculture stated that 95 percent of the wheat produced would come within the 90 percent support price.

Mr. YOUNG. I do recall that statement.

Mr. ELLENDER. That is my recollection.

Mr. YOUNG. The proposal which I offered would provide 90 percent for most of the wheat produced, but it would also provide lower support levels for a great deal of wheat of poor quality which is being produced today.

I think the Senator from Louisiana has reference to the 23 varieties of wheat which the Secretary of Agriculture this year discounts 20 cents a bushel. I think those are the varieties to which the Senator is referring.

Mr. ELLENDER. It might be entirely possible to devise a formula on the basis of the proposal which my distinguished friend from North Dakota offered, and which was written into the bill. I hope it will work.

Mr. YOUNG. Mine is a simple approach to the problem. If we attempt to go a step further, as we planned last fall, and base price support on the quality of wheat marketed by the farmer, we will run into a great deal of trouble. It is a slow process, for example, to test the protein and gluten content of each load of wheat which may be delivered to a country elevator.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I should like to add that the proposal of the Senator from North Dakota has been considered by the Department of Agriculture for many years. The Department has been endeavoring to determine how to devise a formula to provide higher supports for good quality and lower supports for poor quality. One proposal which was made—I think it came from the State of the Senator from North Dakota—was that the support be based upon the salability of the variety. However, it turns out that that formula does not work either.

If we base the salability on the proportion of the crop which is turned over to the Commodity Credit Corporation by the producers as unsold, we find that under that formula the Eastern and

Southern States would get the highest support level.

For the 4 years from 1950 to 1953, the States of Kansas, Missouri, Colorado, Nebraska, and Wyoming turned over 29 percent of the crop to the Commodity Credit Corporation. Minnesota, South Dakota, North Dakota, Wisconsin, and Montana turned over 20 percent of the crop. Iowa, Illinois, Michigan, Indiana, Ohio, and Kentucky turned over 13.8 percent. Texas, Oklahoma, New Mexico, and Arkansas turned over to the Commodity Credit Corporation for those 4 years 31 percent of the wheat crop. Idaho, Washington, and Oregon turned over 23½ percent. California, Arizona, Nevada, and Utah turned over 3.6 percent. Virginia and the States north of Virginia turned over 9½ percent. The States south of Virginia, including the Carolinas, Georgia, Alabama, and Mississippi, turned over 22½ percent. So we cannot judge the quality by the percentage of the crop which each State turns over to the Commodity Credit Corporation. So that formula was not practicable. I use that merely as an illustration of an effort to devise a formula under which higher support levels could be given to the better quality.

Mr. ELLENDER. I believe that in response to a question propounded by me to the Under Secretary of Agriculture, Mr. Morse, and his assistant, we were informed that the Department had been working for 20 years in an attempt to find a salability formula applicable to various crops. However, up to now they have not found such a formula. I suggested to them that they continue their studies, and perhaps they might come up with something.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I was greatly interested in the figures just submitted by the Senator from Vermont. I wish to be sure I understood him correctly. I wonder if he meant to have us infer that the quantity of wheat turned over to the Commodity Credit Corporation in a State would be determinative of quality. Is it not more reasonable to assume that the greater the production in a community, the greater the amount which would be turned over? Would that be a reliable basis for determining quality?

Mr. AIKEN. I read these statistics to show that we could not judge the quality by the percentage of the crop turned over to the Commodity Credit Corporation. Kansas, Missouri, Colorado, Nebraska, and Wyoming are grouped together. Kansas is a large wheat-producing State. I am sure the Senator knows how eastern Kansas compares with western Kansas. Missouri has become a large producer of wheat. Colorado, Nebraska, and Wyoming are grouped together. Some of the States in which very little was turned over to the Commodity Credit Corporation are not noted for producing large quantities of the highest quality of wheat. Nevertheless, the wheat had a ready market, presumably, in chicken feed and other types of feed.



Mr. ELLENDER. That is correct. For instance in 4 of the States mentioned only a little more than 3 percent of the production was put into the hands of the Commodity Credit Corporation. That 3 percent may be wheat that was not adapted to milling purposes but could be used for chicken feed.

Mr. AIKEN. In some States, however, production has gone up with respect to certain varieties of wheat; for example, a good hard wheat, which has the same analysis as wheat from western farms, but which for milling purposes is considered decidedly inferior. It may have a moisture content of 12 percent, and a protein content of 13 percent, just as is the case with wheat from another area, but nevertheless one wheat is good for milling purposes and the other type is not. They both weigh from 58 to 60 pounds to the bushel. It makes the situation very difficult but millers do make a distinction and they say that one is good and the other is not good.

In other words, the wheat that is used as a filler will still run to 60 pounds to the bushel and 12 percent moisture and 13 percent protein, but that wheat is not desirable.

Mr. CARLSON. The Senator from Vermont has made a very accurate statement with regard to quality milling wheat. There is no question that quality is not based on test weight. The wheat grower in Kansas is interested in producing good milling quality wheat. We like to boast that we grow the best wheat in the world. We regret sincerely that in the last 2 or 3 years there has been some complaint about our wheat, and we are trying to correct the situation. The Secretary's statement last year that there would be a differential in payments brought about a shift in the production into higher quality plantings. In the next harvest we will have greatly improved the quality of wheat.

As I read the bill, it would set up a commission to work with the Department of Agriculture to assist the Department in determining the quality of wheat. That is the purpose of creating the commission as I understand.

Mr. ELLENDER. The purpose of the Commission is to determine which varieties of wheat are the best, and the farmers who plant that variety will get 90 percent.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I believe I am correct in my understanding. That is the intention, as I understand it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. Under the present law the Secretary of Agriculture, working with those engaged in research experiment stations, millers, and bakers, determines the quality.

Under the provision the Senator has referred to we would set up a commission consisting of an agricultural research expert, a miller, and a farmer. There would be three members from each of the principal wheat producing areas of the United States. This would be the first time that farmers would be given

a voice in determining the quality of wheat.

Mr. ELLENDER. The commission would work from year to year, as I understand.

Mr. YOUNG. That is correct. The Secretary makes that determination all alone at the present time. The committee would be advisory in nature.

Mr. ELLENDER. That is correct.

Mr. YOUNG. I may say that in my own State of North Dakota there are varieties of wheat which should not be grown. Ninety-eight percent of the wheat grown in North Dakota is of good quality. However, we have a few varieties that should not be planted. Among them are Golden Ball, Peliss, Pentad, and Premier, and 2 or 3 others. I do not see any reason why we should provide the top level of support to farmers who seed that kind of wheat which rarely, if ever, produces good quality.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I wonder whether the chairman of the committee would object if I were to refer to another feature of the bill which was mentioned indirectly by him. I refer to the noncommercial wheat-producing areas which are to be set forth in the bill. For the moment I cannot find that particular section in the bill. As I remember reading it, each State would be given a quota of 240,000 acres of noncommercial wheat. There are States which would not have 240,000 acres. What would happen in such a case?

Mr. AIKEN. Any State that did not produce 240,000 acres would be taken out of the commercial area.

Mr. CARLSON. I want to be sure that we are not increasing acreage allotments for wheat in noncommercial areas up to 240,000 acres, and finding the wheat some place else in commercial areas.

Mr. AIKEN. Any State that has an acreage allotment of less than 240,000 acres would be put into the noncommercial area, and if it chose to go into the program, it would get only 75 percent of the support price in the commercial area.

Mr. ELLENDER. That is correct.

Mr. AIKEN. Presumably 90 percent of the production would go into feed.

Mr. ELLENDER. That was what the testimony before the committee indicated, as I remember.

Mr. President, the committee also voted down the proposal to place a limitation on price supports—either a gross limitation or a limitation based on total production of a given farm. In his special farm message, the President recommended that we consider placing limitations on price support payments; however, careful examination of the problem convinced us that it would be unwise to do so.

Any limitation on price supports would, in effect, mean that market prices would stabilize at or just around the support level in effect on the majority of the crop.

Under the President's proposal, a gross cash limitation would be placed on price support payments. This would mean

that the great bulk of our agricultural production could be marketed with no support levels in effect, depending on the amount of the limitation imposed. As to that portion, the fluctuations of the markets would, alone, affect farm prices. As to that portion of the crop which would be supported—and this would be production primarily from the small farms—the commodities would flow into Government storage. The proposal for a gross cash limitation on price support payments would, in practical effect, amount to a cash subsidy paid to the small farmers with the Government taking over their total production, in return.

Under the alternative of placing a sliding scale support level in effect, and basing supports on the size of a farm or its volume of production, it was shown that market prices would tend to stabilize at, or just around, the support level in effect for the majority of a crop. Since any such limitation would fix support levels for large producers at relatively low levels, and since larger farmers supply the majority of our production, this alternative, too, would mean that small farmers would produce almost exclusively for Government warehouses.

Under either proposal, that is, either a gross limitation on support payments or a limitation based upon support levels flexing in line with per-farm production volume, the small farmer would find himself unable to compete on the farm markets; the Government, on the other hand, would find itself the only purchaser for small-farm production. Neither result is desirable, and the committee voted to eliminate any provisions for limitation on supports.

Let me emphasize, again, Mr. President, that the result of an attempt to limit price supports would mean that the small farmer would be producing for the Government. Price supports were never intended as a subsidy. They are means by which a farmer may borrow money on what he produces so that he will not be compelled to dump his crop on the market all at once, and thereby depress prices.

I cannot believe that anybody will argue seriously that the administration sliding-scale formula, which is now the law of the land, will stimulate the farm economy and bring about increased income to the American farmer in 1956. On the contrary, I believe that it will further decrease farm income, and push the parity ratio down to a new low, and shrink still smaller the farmer's share in the consumer's dollar.

Mr. Benson, however, argues that the sliding-scale formula, plus the soil bank, will bring about a reversal of the present-day trend toward a major farm depression, and result in happier days for the farmer. I must disagree with the Secretary. There is no more rational basis for his optimism in this respect than there has been for the assurances of better times for the farmer that have come forth from his lips with such regularity over the past 2 years. I placed some of the now-discredited statements made by the Secretary in the RECORD yesterday. They demonstrate that the Secretary has frequently been so wrong



in the past in his economic prognostications that I believe his forecast in this instance would be best disregarded.

When a farmer participates in the acreage-reserve program, the first phase of the soil bank, as is contemplated in the bill now before the Senate, he must agree to take out of production a designated number of acres allotted to him for one of the basic crops of corn, wheat, rice, cotton, and certain types of tobacco. For instance, a cotton farmer with 100 acres of land, on which he now plants 40 acres of cotton, 30 acres of corn, and 30 acres in hay or other crops, might be permitted to share in the acreage-reserve program up to, let us say, 10 acres. On this 10 acres, which otherwise he would plant in cotton in 1956, he must agree to plant no crops at all, neither cotton or other crops, and to not even graze the land during 1956. Thus, aside from the payments he is to receive from the Department of Agriculture for diverting these 10 acres of cotton land, he will reap no harvest whatsoever in 1956. His only income from the 10 diverted acres will be the incentive payment the Department makes to him, which for the sake of argument we will say amounts to 50 percent of the support price for 1956 cotton, based on the normal yield of cotton per acre for this particular farm. The exact amount of the incentive payments under the acreage-reserve program will be determined by the Secretary of Agriculture, under the terms of the committee bill; irrespective of what the price-support levels for the basic crops may be, he is given the widest discretion to make the incentive payment high enough to yield the farmer a net return on the 10 diverted acres which will be slightly larger than the return the farmer would otherwise get by planting it to cotton. But it will not represent any additional income to the farmer in 1956—it will be only a payment in lieu of what he would otherwise have made from the cotton he could have grown on the land.

The same holds true of the conservation-reserve payments to be made to farmers under the second phase of the soil-bank program. Under this feature of the soil-bank program, any farmer will be eligible to participate, who is willing to divert some of his cultivated acres from production and put them into either grass or trees or other conservation programs, and in addition agree not to graze them. This program is for a minimum period of 3 years, or as much as 10 years, to be agreed upon by the Secretary and the farmer. If trees are planted the contract can be for a long as 15 years. The Secretary is authorized to reimburse the landowner for the cost of establishing the grass or trees on the diverted acreage, and in addition to pay him annually the fair rental value of the land so diverted during the life of the contract.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LANGER. A few years ago we planted shelter belts. There was an agreement that the Government would

pay the farmer so much an acre for the shelter belts, but payment was not made.

Mr. ELLENDER. Does the Senator mean for the cost of planting?

Mr. LANGER. Yes. Farmers did not receive payment for the planting of the shelter belts, and I am wondering what assurance the farmers will have under this bill.

Mr. ELLENDER. The shelter-belt plan came under the agricultural conservation program, as the Senator well remembers, which differs considerably from the soil-conservation programs contained in this bill. Only cultivated acres will go into either of these new programs—either the acreage reserve or the conservation reserve.

Mr. LANGER. I planted a certain number of acres for shelter, and the Government reneged on its agreement to pay so much an acre.

Mr. ELLENDER. Under the pending bill as it is written, the farmer will enter into a binding contract with the Government to set aside so many acres. If the farmer should decide to participate in the acreage reserve, a contract would be entered into probably for 1 year, but it could be entered into for as many as 4 years. The only acres which could be diverted would be allotted acres on basic crops. For that program we are providing a \$750 million appropriation for payments on each year's crops.

Mr. LANGER. But, supposing the Congress 2 years from now does not make such an appropriation?

Mr. ELLENDER. As I have said, it will depend on the Congress to carry out the program; but I am sure that if my good friend from North Dakota is still a Member of the Senate, the Congress will vote for such an appropriation. I know I would. These appropriations are to be made each year.

If the bill is passed and becomes law on March 15, the farmer who enters into a contract on his allotted acres could receive payment before the planting season is over. If he agrees to comply by setting aside so many of his allotted acres in wheat, corn, rice, or cotton, he receives a certificate from the Department of Agriculture payable either in cash or in commodities. In order to encourage the holder of the certificate to obtain commodities for it rather than cash, there is a further inducement offered to him. That inducement is that the value of the certificate increases by 10 percent if the farmer agrees to take commodities which are in storage. The Commodity Credit Administration then sells to him at either the market price or 105 percent of the support price, whichever is the higher.

So, as I have said, there is full protection for the farmer, because he will be able to obtain his certificate, which is negotiable, before the end of the year. It is not a question of waiting for a full year, but he may get payment upon giving assurance that the contract has been carried out by him.

Of course, the conservation reserve acres are in a slightly different category, because the requirement in that phase of the soil-bank program is that the con-

tract must be entered into for not less than 3 years nor more than 10. As I said a while ago, that period can extend as long as 15 years, if the acreage is used to plant trees. In that case, the farmer will also be compensated by the Secretary of Agriculture. In fact, under the bill, the Secretary has the power to make the proposal very attractive, so as to get out of cultivation the total number of acres which he determines should go into the conservation reserve program. As to those acres, the farmer will receive financial assistance in the planting of grass, other soil-building crops, or trees on them. In addition, the farmer will be paid a rental each year for the land he takes out of cultivation and puts into the conservation reserve.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. LANGER. The Senator was a Member of the Senate, was he not, when the shelter belt bill was passed by Congress?

Mr. ELLENDER. That was in about 1933, was it not?

Mr. AIKEN. I think it was about that time.

Mr. ELLENDER. That was a little before I became a Member of the Senate. But I do not think the Senator from North Dakota need worry. This is an entirely different program.

Mr. LANGER. At that time the assurance was given to the farmer that, if he would plant trees, he would receive so much an acre for the shelter belt. The Government reneged on that proposal.

Mr. ELLENDER. I do not think the same situation will prevail this time; at least, I hope it will not.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. The Senator may have already covered the point I have in mind, or he may do so later. But in reading the bill, I was somewhat disturbed by the limitation of \$100 an acre which the farmer is to be paid for land withdrawn from cultivation. With respect to a good many crops, that would be adequate, but there are some crops as to which it would not be much of an inducement.

Mr. ELLENDER. The limitation of \$100 applies only to tobacco.

Mr. BARKLEY. That is the crop to which I am applying it. The average farmer who produces burley tobacco will get a thousand pounds an acre, which is a very conservative estimate. If the price were 40 or 50 cents a pound, he would receive \$400 or \$500 an acre for the production of the tobacco. If he were to be limited to receiving \$100 an acre on acreage from which he could receive, \$400, \$500, or \$600, that would not be any inducement to withdraw his land from production.

Mr. ELLENDER. That is correct. Let me state the reason why that provision was included. The committee received reports from growers of cigar binder tobacco, which is used for cigar making. It seems that type of tobacco is produced in only two States—Connecticut and



Wisconsin. A recent process makes it possible to take almost any kind of tobacco leaf, homogenize it, and remake it into a leaf which looks exactly like the binder tobacco. It is tobacco which is ground up, as it were, and pressed back into usable shape, so that it can be used in the making of cigars.

The committee found that the cigar binder tobacco producers were in bad circumstances, and it was agreed that if tobacco were included in the bill, the payments would have to be limited to \$100. We understood that those growers would be satisfied with such a payment. It was subsequent to that action that the committee voted to include flue-cured and burley tobacco. I understand other tobaccos, also, probably will be added.

Mr. BARKLEY. I understand the committee omitted dark-fired tobacco, because the committee was under the impression that the dark-fired tobacco producers did not want to be included. But I think that is a mistake. My colleague, the senior Senator from Kentucky [Mr. CLEMENTS], and I have offered, or will offer, an amendment to include dark-fired tobacco in the program.

What I have in mind is that the bill as it is written, as I understand, does not differentiate among the types of tobacco which are to be limited to the \$100 an acre.

Mr. ELLENDER. The Senator is correct.

Mr. BARKLEY. That would not be any inducement to a producer of burley or flue-cured tobacco. I doubt if it would be an inducement even in the dark-fired tobacco region, because in that area the average production is a thousand pounds to the acre; many acres produce more. Some acres produce a couple of thousand pounds. At the prices which have been prevailing since the farm program was inaugurated, \$100 by itself would hardly be an inducement to any tobacco grower.

Mr. ELLENDER. The reason why the tobacco producers the Senator has in mind were left out was that the Department felt that the acreage planted in tobacco was so small that very few farmers, if any, could be induced to accept a payment, because the majority of the farmers have a half acre or an acre, and we had no requests for inclusion from such producers. For those reasons, it was decided to leave them out.

Furthermore, although the supply of tobacco is quite large, tobacco can be stored and readily preserved. It does not deteriorate. That was another reason why this basic crop was omitted originally.

Peanuts also were omitted from the acreage reserve. The acreage in that category is, I think, about 1,600,000, which is small in comparison to the acreage devoted to corn, cotton and wheat, for instance. The supply of peanuts is not too far in excess of requirements. Therefore, that basic also was left out.

Mr. BARKLEY. I do not wish to take the Senator's time now to discuss this question, because we shall probably discuss it at length when that point is reached in the bill.

Mr. ELLENDER. I am glad the Senator asked the question about the \$100 limitation. Tobacco was placed in the bill primarily to assist the growers of Connecticut and Wisconsin, who were in a very distressed condition. Many of them were on the verge of going out of business. They felt that rather than get nothing at all, they would accept a \$100 per acre maximum. It was only when the bill was about to be reported that the other two kinds of tobacco were added. The limitation as to the amount per acre to be paid was left in the bill.

Mr. BARKLEY. We can discuss the question further when that point is reached in the bill; I simply wanted to call attention to the fact that although the \$100 limitation probably would help the growers of the particular type of tobacco to which the Senator has referred, the wrapper tobacco produced in Connecticut and Wisconsin—and I am all for that—it would not be any inducement at all to the producers of tobacco grown in Kentucky, Virginia, North Carolina, and many other States.

Mr. ELLENDER. I am in agreement with the Senator.

Now, Mr. President, it cannot possibly be argued that these payments under the conservation reserve program will result in more money being put into the farmer's pockets during 1956, because once again, it is just a matter of the Government giving the farmer money to take the place of the income the farmer would have obtained had he planted, cultivated, harvested, and marketed a food or fiber crop off the land he agrees to put in the conservation reserve program.

I repeat, Mr. President, that in both programs, whether the land be put in the acreage or conservation reserve, the acres which are to be set aside must be acres which are or which recently have been used in producing some kind of crop. The provision does not apply to just any land or to new land of any kind. The main purpose of the soil bank is to take out of cultivation the acres which are now producing crops which are in surplus.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I cannot quite agree with my colleague that taking out of wheat production 12 million of the 55 million acres will not have an effect on the market price of the remainder of the crop. One of the purposes of the soil-bank proposal is to reach that situation. If reduction of planting by, say, 25 percent will not have any effect on the market price of the rest of the crop, then the soil-bank program will be a failure before it is started.

Mr. ELLENDER. No. The Senator knows there is enough wheat on hand now for more than a year. I believe the amount on hand is over 1 billion bushels. We consume about 658 million bushels a year. The acreage-reserve program may bring about some slight rise in the wheat market by the end of the year. That is possible. But I am speaking primarily of 1956.

I may say to my good friend from Vermont there is no doubt that in 1957, if the program works as we contemplate it will, and if enough land can be taken out of production—say, 10 million acres of allotted wheat acreage, 3 million acres of allotted cotton acreage, reducing cotton production by, say, from 3 to 4 million bales—prices of crops next year are bound to be affected to some extent, but there will be but little benefit, if any, for the farmers this year by way of the acreage-reserve program, standing alone.

Mr. AIKEN. Not only would cotton and wheat be affected pricewise by taking some 20 million acres out of production, but producers of meats and vegetables, dairy products, and other commodities, would also be strengthened pricewise in the open market.

I think the estimates of a \$2 billion increase in farm income this year, if the soil bank takes effect early in the season, are not very far out of line. Nobody can guarantee that, but I think that is as good a guess as it is possible to make, because we hope that it will redirect the extra land now used for other commodities whose prices are depressed as a result of planting and grazing on acres diverted from the basic crops. Thus, the prices of those commodities will be strengthened on the market.

Mr. ELLENDER. At least \$1 billion of the amount the Senator has mentioned would come out of the Treasury and be paid to the farmers; those payments would be made in lieu of the value of crops the farmer himself could produce on the acres if he had planted them.

Mr. AIKEN. That is correct to a certain extent.

Mr. ELLENDER. It is exactly correct.

Mr. AIKEN. I say that if the farmer got 20 percent more in net income for not planting his crops than he would receive if he did plant them, that would be a substantial increase, but it would not reach the figure of the increased income which would come about largely from a strengthening the market and the elimination of some of the keen competition in the market which producers are meeting as a result of production from diverted acres.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. Is it not true that under the bill the conservation reserve program applies to all cultivated acres, even though a part of them may be temporarily planted to some grass?

Mr. ELLENDER. That is correct.

Mr. YOUNG. I thought that was a little at variance with what the Senator said a moment ago.

Mr. ELLENDER. The point is that the first part of the soil bank program—the acreage reserve—is to be used exclusively to reduce the planting of basic crops which are now in surplus. The idea is to reduce those surpluses. That is the real purpose of the acreage reserve program. As a matter of fact, that is why the program is to be carried forward on a year-to-year basis. This year we may have farmers divert, say, 12 million acres of



wheat, 3 million acres of cotton, 4 or 5 million acres of corn land into the acreage reserve. Perhaps we might have a bad crop year. If so, we could cancel out the acreage reserve program for next year, because supply and demand would more nearly approximate a fair balance.

Mr. YOUNG. We have gone a long way toward equalizing or bringing into line production and use of wheat. For instance, this year the crop amounted to a little over 900 million bushels, and the domestic use plus exports amounted to a little over 900 million bushels.

Mr. ELLENDER. That result came about under the wheat agreement.

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. Before the Senator from Louisiana was interrupted, he was saying that the land withdrawn would be land which would ordinarily be cultivated, that it would not be land which would lie idle, anyway.

Mr. ELLENDER. That is correct.

Mr. BARKLEY. Who would determine whether the land withdrawn was or was not land which would have been cultivated?

Mr. ELLENDER. I meant to say land that was in production. I meant cultivated acreage. In the bill we sought to define cultivated acres to mean acres whereon a crop is grown. Cultivation need not take place every year. As the Senator knows, tame hay or alfalfa can be grown without much cultivation. In my State alfalfa is planted only every 3 years, but the land is cultivated, it is disked, and then the alfalfa seed is drilled, and there are 2 or 3 crops of alfalfa in a year. Land of that kind would be considered cultivated acreage and could be placed in the conservation reserve acreage.

Mr. BARKLEY. Let us take another crop besides a 3-year crop like alfalfa and certain grasses. A farmer usually rotates his crops. He will plant one field in corn 1 year and maybe next year he will plant it in wheat or grass, and then in a year or 2 he will go back to corn. Would such acreage as would temporarily lie idle in any given year, which is cultivated in most part from 1 year to another, be eligible for retirement under the program, so the farmer would receive benefits for the retirement of that particular acreage?

Mr. ELLENDER. The farmer will be eligible if that is a regular practice in which he engages.

If the Senator will look at page 12 of the bill, section 207 reads in part:

To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil, water, wildlife, or forest conserving uses on a specifically designated acreage land on the farm regularly used in the production of crops. \* \* \*

Mr. BARKLEY. "Regularly used" would not be interpreted to mean a farmer had to do it every year; would it?

Mr. ELLENDER. No. It would not, however, mean new land which the farmer had permitted to lie idle for years.

Mr. BARKLEY. And which perhaps he had no intention to cultivate at any time soon. Is that correct?

Mr. ELLENDER. That is correct.

Mr. BARKLEY. Such land would not be eligible for withdrawal benefits, would it?

Mr. ELLENDER. It would not.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. For the benefit of the Senator from Kentucky, I should like to call his attention to the fact that the Senator from Louisiana stopped reading before he reached the end of the sentence, which reads:

acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage).

That would permit the farms in Kentucky, Ohio, Vermont, and other States to participate in the conservation program.

Mr. ELLENDER. I say to my friend from Vermont that I did not read the sentence through because I had previously explained that portion of it to the Senator from Kentucky.

Mr. AIKEN. Tame hay is included, but not land over the fence.

Mr. BARKLEY. It does not include land in wild hay or other wild grasses.

Mr. ELLENDER. There are provisions in the bill pertaining to that.

Mr. BARKLEY. Reforestation requires a so much longer period of time than the 3-year grasses that a longer period of time would be necessary.

Mr. ELLENDER. There is a provision pertaining to that subject.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. STENNIS. I wish to raise this point because I did not have an opportunity to hear all the Senator's presentation. He may have covered it in his statement, but when we use the term "soil bank," or bank, or putting something into a bank, we ordinarily think of putting something in a place of security, so that it will not be lost and will be preserved. When we speak of putting land in a soil bank, what is going to be done to preserve the idle acreage? What is going to be done to insure that there will not be deterioration of the acres? If the acres deteriorate, we may lose more than we gain.

Mr. ELLENDER. Of course, as to the acreage-reserve program, that will be left to the farmer to decide, in connection with his allotted acres; on those allotted acres he might also receive payments from the ACP program.

Mr. STENNIS. Yes.

Mr. ELLENDER. He could put cover crops on such acreage, if he wanted to. But if he did that, he would have to follow certain practices, in order to obtain payments.

The idea in the first prong of the soil-bank program is not so much to conserve land as it is to prevent the planting of a crop which already is in surplus—so as not further to aggravate the surpluses we now have.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield further to me before he proceeds?

Mr. ELLENDER. First, let me say, in regard to the other prong of the soil-bank program—that is to say, the conservation reserve acres—that in that regard the contract must be for not less than 3 years, and the farmer may plant on that acreage grasses which will preserve or enrich the land, or he may plant trees, or he may use it for any other purpose which would conserve the soil. He could even build a fish pond on it, if he wished to do so. But, as I have said, that land must be comprised of cultivated acres or land which produces crops, in order to be eligible.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield on that point?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Louisiana yield to the Senator from Mississippi?

Mr. ELLENDER. I yield.

Mr. STENNIS. As to the first prong of the program, then it will be left entirely to the landowner to decide as to what, if anything, he will do to cover the land so as to preserve it. Is that correct?

Mr. ELLENDER. That is correct.

Mr. STENNIS. Does not the Senator from Louisiana think it would be wise to tie this down in some way, so as to insure that those acres will not be abandoned and permitted to deteriorate or be neglected even for 1 year? Would not it be necessary to tie it down in some way, and make that a condition of the payment? Otherwise, in the areas where there is heavy rainfall and where the land is not level, but, instead, is hilly and subject to rapid erosion unless it is cared for, will not there be a terrific loss of land as a result of erosion, and a consequent loss in the value of the land? Of course, the Senator's State of Louisiana is different from the hilly land I have in mind.

Mr. ELLENDER. In the south Louisiana area, where I reside, grass grows wild; and so far as erosion is concerned, I do not think we have any there.

Mr. STENNIS. Yes; the State of Louisiana is blessed in that way. But other areas are not so blessed.

Mr. ELLENDER. It is the committee's view that the farmer will receive—by means of the payments for participating in this program—quite an inducement. In other words, the Secretary will have to give the farmer quite an inducement to persuade him to curtail his production.

Mr. STENNIS. Yes.

Mr. ELLENDER. In addition, if the farmer qualifies for them, he can obtain ACP payments.

Mr. STENNIS. I agree, and many of them no doubt will.

This is not in criticism of the suggested program as a whole; but my point is that this should be tied down, by way of a condition precedent to obtaining these payments. Some provision would have to be made by the landowner, so that at the end of the year the land would not have less value and would not be in a deteriorated condition, as



compared with its condition at the beginning of the year—because in part the purpose of the plan is to preserve the land.

I do not mean to press the Senator from Louisiana about this point now; but if he has a recommendation about it, he can make it to the committee staff, and perhaps they can prepare a provision to cover it.

Mr. ELLENDER. I am sure that if the Secretary of Agriculture found it necessary in some areas, he could include that as a part of the contract, if he desired to do so.

Mr. STENNIS. I think that is a splendid suggestion, and I hope the Senator from Louisiana will include it as one of the provisions of the bill.

Mr. ELLENDER. Mr. President, let me refer to page 8 of the bill:

The acreage reserve program may include such terms and conditions, in addition to those specifically provided for herein, including provisions relating to control of noxious weeds on the reserve acreage, as the Secretary determines are desirable to effectuate the purposes of this act and to facilitate the practical administration of the acreage reserve program.

Mr. STENNIS. Do those provisions apply to both prongs of the program to which the Senator from Louisiana has been referring?

Mr. ELLENDER. No; this provision applies only to the acreage-reserve program. The Secretary would have the right to incorporate conditions in the agreement into which he entered with the farmer.

Mr. STENNIS. I appreciate the Senator's suggestion. At this time I shall not ask him to yield further in regard to this matter.

Mr. ELLENDER. Mr. President, I wish to emphasize to my good friend, the Senator from Mississippi, that the acres which were taken out of the allotted acres of the farmer, could still be put by him into cover crops, and no doubt he could obtain ACP payments if he wished to do so; and no doubt any good farmer would do so.

Mr. STENNIS. I feel sure he would. But some would take this money and would neglect the land. So that would be a serious matter, and that is a point which should be covered.

Mr. FULBRIGHT. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. The Senator from Louisiana stated that a farmer could put a fishpond on this land.

Mr. ELLENDER. That is correct.

Mr. FULBRIGHT. Could the farmer raise fish for commercial purposes on that land, without restriction?

Mr. ELLENDER. That possibility was not brought up in committee, but I do not believe the amount of money which would be paid on a per-acre basis would permit any large areas to be used in that way. The larger the area, the greater the cost of the dam would be; and the size of the dam to hold back the water probably would be regulated according to the dollars received and the acres to be covered.

Mr. FULBRIGHT. Mr. President, if the Senator from Louisiana will permit

me to make a brief statement, let me say that a number of people in my State have approached me about this matter. They have found that putting water upon the land is an excellent way to enrich the land, and that it adds great strength to the land; and, of course, once water is put on the land, fish can be put into the water. These people are contemplating doing that very thing.

If they took acres out of their cotton or rice acreage, and put those acres under water and raised fish—of course, they would buy fingerlings—would such an operation qualify under the provisions of this bill?

Mr. ELLENDER. Of course, riceland is included in the acreage reserve—that is to say, in the case of allotted acres.

Mr. FULBRIGHT. If the farmer turned that land into a fishpond, it would be eligible, would it?

Mr. ELLENDER. Eligibility could be extended to any soil-conservation or water-conservation program.

Let me read the requirement which appears at the bottom of page 12, under paragraph (3):

(3) Not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals.

Mr. FULBRIGHT. Could that farmer still raise fish in the pond thus established?

Mr. AIKEN. Let me say that it is my understanding that any kind of wild crop could be harvested—for instance, the farmer, if he wished, could raise frogs, so as to market frogs' legs, or raise berries.

Mr. FULBRIGHT. But would fish qualify? I do not know whether fish are wild or not, but I know there are many fish farms in the area I have in mind.

Mr. ELLENDER. The provision includes the words "wildlife or other natural products."

That would certainly include fish in a wild state.

Mr. FULBRIGHT. I was hoping to make such legislative history here as to clarify that point.

The Senator from Louisiana will recall that one of the witnesses from my State suggested—and I also submitted the suggestion to the committee—that this matter be covered or included; and I wish to make sure that it is included.

Mr. AIKEN. I do not believe fish would furnish increased supplies of feed for domestic animals, other than in the case of a cat or possibly in the case of a dog. As a rule, domestic animals do not eat fish. I will say for the Record that I think this provision is intended to cover fish.

Mr. ELLENDER. I am sure it is.

Mr. AIKEN. I think it is intended to cover recreational fishing, and probably commercial fishing as well.

Mr. FULBRIGHT. Fish could be raised commercially?

Mr. AIKEN. Yes, indeed.

Mr. FULBRIGHT. I wished to make clear what the farmer would recover. He would receive the regular payment for taking the land out of production.

That is the No. 1 payment. Can the Senator tell us whether or not he would receive anything for soil-conservation practices resulting from covering the land with water? I am told that that is a very fine way to build soil.

Mr. ELLENDER. As the Senator has just indicated, the only payments would pertain to farm land, cultivated acres. What the farmer would receive on those acres would be the cost of putting them in grasses, if he used grass, the cost of building a levee to retain the water, if he chose to do so—

Mr. FULBRIGHT. Would it include that?

Mr. ELLENDER. Oh, yes. In addition, he would receive an annual rental per acres for as many years as he might contract. With respect to this conservation-reserve acreage, the contract could not be for less than 3 years, and might be for as long as 10 years, at a yearly rental.

Mr. FULBRIGHT. I am very glad to make it clear that he would receive 80 percent of the cost of building levees on the land to hold the water.

Mr. ELLENDER. The proportion is left to the Secretary. The Secretary could make it 100 percent.

Mr. FULBRIGHT. I thought it would be 80 percent.

Mr. ELLENDER. The Senator has reference to what is in the report. The language of the bill, as found on page 14, under subparagraph (1) is as follows:

(1) To bear such part of the cost (including labor) of establishing and maintaining vegetative cover or water storage facilities, or other soil, water, wildlife, or forest conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this act, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated.

Mr. FULBRIGHT. I believe that is clear. I had not noticed the phrase "or water storage facilities," although I was looking for it.

Mr. ELLENDER. The 80 percent to which the Senator refers appears on page 16 of the report, but it is not written into the bill. Under the proposed measure, the Secretary is granted broad powers, in order that he may make the contracts attractive enough to induce farmers to carry out the soil bank program.

Mr. FULBRIGHT. I will say for the record that from what I have learned in my State, the building of water storage facilities is not only an excellent method of providing water supply, but is one of the finest ways to enrich the soil. In many respects it builds the soil more rapidly than any other practice.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I think it is important that we try to make a legislative record, so that the record will show what will be included in the conservation acreage, based upon cultivated acreage. Most good farmers have a soil conservation rotation program of planting legume crops. Let us assume that a farmer has 40 acres in alfalfa or clover. It is already planted. Would that acre-



age be a part of the new acreage program? Could the farmer draw payments on that acreage?

Mr. ELLENDER. Is it cultivated?

Mr. CARLSON. He planted alfalfa on it 5 years ago.

Mr. ELLENDER. If that is his practice, he is entitled to place it in the conservation reserve. For example, in Idaho and other States tame hay is planted over 4 or 5 years, and crops are obtained each year. In order to maintain those crops, the land is harrowed after each cutting. As I understand the provisions of the bill, those acres could be used in the program, because crops are produced upon what we term cultivated acres. In other words, the crops do not grow wild. The crops are planted. That is really the difference.

Mr. CARLSON. I think that is a very important statement. For example, there are areas where the land is already planted to alfalfa. It may have been planted for 5 years. It will grow 2 or 3 or 4 crops a year. What will be the basis of payments? As I understand the application of the bill to alfalfa, for example, the farmer is not permitted to harvest any of it after he has placed the acreage under the conservation reserve.

Mr. ELLENDER. The payments with respect to such acres are not on the basis of the value of the crop, but on the rental value of the land. Much will depend on what the rental value of the land is in the particular area, and how much the land produces in dollars and cents. The Secretary will have broad powers to fix the rental values. He will also have broad powers to fix the cost of putting the acreage into grasses, if that is the conservation method agreed upon by the Secretary and the farmer.

The situation with respect to trees is similar. The payment will depend upon the cost of the trees, and the labor entailed in planting them in the area where the land is located.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. It is my understanding, from talking with the Department of Agriculture officials, that they expect the annual rental will be approximately 10 percent of the value of the land. If the land is worth \$50 an acre as crop land, the rental will be \$5. If it is worth \$100 an acre, the rental each year will be \$10. If the land is worth \$200 an acre in a particular county, the rental will be \$20 an acre for the term of the contract. That scale may not hold exactly true in every case.

If trees were set out, payments would extend over a period up to 15 years, and might be smaller. However, the same amount of money, overall, would be paid. Contracts for planting legumes and enriching the soil would normally run for a period of from 3 to 10 years, depending upon the probable future need of the land for crop production, and other circumstances.

Mr. ELLENDER. Let me say to my good friend from Kansas that a while ago I explained the factors the Secretary would have to consider. Let me read

from the bill itself. I turn to page 14, under subparagraph (2), beginning with the second sentence:

The rate or rates of the annual payment to be provided for in the contracts shall be established on such basis as the Secretary determines will provide producers with a fair and reasonable annual return on the land established in protective vegetative cover or water-storage facilities, or other soil, water, wildlife, or forest-conserving uses, taking into consideration the value of the land for the production of commodities customarily grown on such kind of land in the county or area, the prevailing rates for cash rentals for similar land in the county or area, the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the conservation-reserve program, and such other factors as he deems appropriate. Such rate or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program.

In other words, the door is wide open for the Secretary of Agriculture to offer such an attractive inducement that the farmer cannot help wanting to enter into a contract. The first part of the soil bank—that is, the acreage reserve—is to alleviate, and not further to aggravate, our present surpluses. No doubt that is the part of the program which will cost the most. It will probably include some of the best land in our country—land which is usually planted to the basic crops. Insofar as the conservation acres are concerned, land of less value—productive and otherwise—will be used for that purpose.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. As I said, in order to make the program work, the Secretary has the authority to make it very attractive.

I yield to the Senator from Kansas.

Mr. CARLSON. Is there any limitation as to the amount of acreage a farmer can take out on his farm?

Mr. ELLENDER. That is left to the Secretary. Under the bill before the Senate, the Secretary will utilize the services of soil-conservation workers and experts from the land-grant colleges, Federal and State agencies. In other words, he will use the services of people engaged in agriculture throughout the country—people who are now under the Department of Agriculture or who work cooperatively with it. What will happen is that a survey will be made, let us say, in certain areas of the country. For instance, let us take prong 1 of the soil-bank proposal. There is no doubt that in a few weeks the Secretary could ascertain pretty well, merely by going around and talking to the farmers, how many acres of cotton, let us say, in the various cotton States would be put into the program. In other words, an average of how much would be put into the program could be quickly obtained.

By the same token, he could come to some determination with respect to the conservation feature, because under the pending bill the estimation must be made by February 1 of each year. The program would then be worked out as to how many acres he could put into either of the programs.

Of course, the number of acres that he would be able to put into conservation would depend on the report he got, and of course it would have to come within the limitation of the money provided by Congress.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I think that is a very important point. I have received letters from farmers who are greatly concerned with this provision. There are some people who live in cities and own farms, who are glad to let the Government take over land. That brings up two problems. The first is with respect to people who have been farming the land; they will run into difficulties. The second point is that if in a given community too much land is taken out of cultivation and made unproductive, it will affect the whole community and all the people who live there. That is something to which we must pay attention, or we will get into some difficulty.

Mr. ELLENDER. The committee gave a good deal of thought to that subject. That is why we placed in the bill a provision to the effect that the program would have to be first worked out by the Secretary of Agriculture, in order to find out how many acres the farmers throughout the country would be willing to contract to place in the soil bank. From the data to be gathered in that way the Secretary can tell pretty well how much money will be required. He can also tell, should the acreage be far in excess of what he desired, whether he will have enough money to spend. The amount of money he has available will depend on how much Congress gives him.

The Secretary would not have to go personally into any particular area. He would have very wide authority to take out of production that number of acres that would best meet the problem.

For instance, let us take cotton. It might be that in some parishes in my State the Secretary would not be able to get more than 2 or 3 or 4 farmers interested. Perhaps in other parishes he might get half the farmers interested. He would not have to require each county to reduce its acreage by a certain amount. He could theoretically, at least get the entire amount of land in one county. From the survey which will be made he can judge where contracts should be entered into so as to carry out the program to the best advantage. I say that because the main purpose of the acreage reserve is to get a great many acres out of cultivation, so as not further to aggravate our existing surpluses.

Insofar as the conservation reserve is concerned, the problem will be much easier to handle because in the acreage reserve the Secretary will have to be guided primarily by how much of a reduction in production he desires. Under the conservation reserve, about the only limitation will be the amount of money available for payments.

We have also included in the bill a provision to protect tenants and sharecroppers. It reads as follows:

In the administration of the conservation reserve program, the Secretary shall provide



adequate safeguards to protect the interests of tenants and sharecroppers, including such provision as may be necessary to prevent them from being forced off the farm.

Throughout the bill we have included provisions which, we believe, will adequately take care of tenants and sharecroppers.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LANGER. The distinguished chairman has been very generous with his time in answering questions. Yesterday he announced he would answer questions propounded by any Senator if he could do so.

Mr. ELLENDER. If I could; yes.

Mr. LANGER. The Senator from North Dakota receives many letters, and he would like to ask a favor of the distinguished chairman of the committee. I hope the Senator will be able to answer the question I am about to ask him, so that I can use his answer in replying to my correspondents.

Let us take, for example, a farmer in Minnesota or in North Dakota or in Montana. He writes, "I have 320 acres of land. It is worth \$100 an acre." He wants to take full advantage of the plan in the bill, and he wants me to figure out for him in dollars and cents just what he will get. Can the Senator do that for me?

Mr. ELLENDER. No; I certainly cannot do that. It would depend, first, on the total number of acres which the program would cover in a given year. Let us assume that the Secretary decides that the \$350 million provided in the conservation reserve program is sufficient to pay benefits on 25 million acres, in round figures. Let us say that, after he makes his survey, he finds that farmers all over the country are desirous of putting 50 million acres of land into this phase of the program.

With that information before him, the Secretary will have to consider where the requests come from and try to give each vicinity and each county and farm in a State or in each area a just and realistic share of the acreage to be put into the program.

Therefore I could not say to a farmer in Minnesota, for example, who has 320 acres in his farm, or a farmer in Louisiana, or one in North Dakota, that he would get so much under the program.

As a matter of fact, until the plan is prepared and drafted and everyone who applies is considered, the Secretary himself cannot do so. He must first see how far the money made available will go and fit it in with the demands and requests of the farmers.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. LANGER. Suppose a farmer had a 320-acre farm and took out 40 acres. How much would he get for the 40 acres?

Mr. ELLENDER. Let us assume that the acres which the Senator has mentioned are allotted to wheat.

Mr. LANGER. That is correct.

Mr. ELLENDER. If the Senator will refer to page 17 of the report he will

find an example for North Dakota, by the way, Ward County, N. Dak.

The county normal yield is 13.2 bushels per acre. The size of the farm is 320 acres. The acreage allotment is 120 acres. The acreage put into reserve is 30 acres.

Mr. LANGER. Let us make my example 30 acres, then.

Mr. ELLENDER. The county loan rate per bushel is \$1.80.

The payment rate per acre would be \$13.50. Therefore, the entire payment on the 30 acres would amount to \$405.

If the Senator will look through the report he will note that several tentative estimates have been made. I wish to make it plain that they are only tentative. It may be that the Secretary will have to pay a little more than he suggests in these preliminary figures in order to get the job done.

Mr. LANGER. That is the first part.

Mr. ELLENDER. Yes; that is the acreage reserve.

Mr. LANGER. What is the second part?

Mr. ELLENDER. The second is the conservation reserve—acres on which the farmer agrees to plant grasses, and to otherwise engage in soil-conservation practices.

Mr. LANGER. Thirty more acres?

Mr. ELLENDER. Yes. Will the Senator tell me the average rental that would apply?

Mr. LANGER. It is \$30. The 30 acres cannot be used for stock or anything else; is that correct?

Mr. ELLENDER. That is correct. When the farmer signs his contract for the conservation practice which is agreed to by the farmer and the Secretary, if he agrees to plant grasses, the Secretary will agree to pay all or the greater part of the cost of planting grasses in that area, or planting trees, if they are more adaptable.

In addition to the acres planted to grass or trees, the Secretary will agree to pay the farmer during the length of the contract—and it must be for not less than 3 years—\$10 or \$15 an acre, if that happens to be a fair rate in the area under the formula from which I read a moment ago.

Mr. LANGER. I have received letters from the Stockmen's Association saying that they do not want the land used for anything.

Mr. ELLENDER. If it is used, the farmer violates his contract and loses not only his payment, but will be in debt to the Government for the payments already made.

Mr. LANGER. So the farmer would be almost compelled to fence the land, would he not? If it is not going to be used for anything, in order to prevent cattle or sheep from wandering onto it, it would have to be fenced.

Mr. ELLENDER. The farmer would have to keep out stock in some way.

Mr. LANGER. I think that answers my question.

Mr. ELLENDER. Under the bill which we are now considering, it is my judgment that the Secretary could even go so far as to help the farmer to pay a part of the cost of the fence. In other

words, the Secretary is given, I would say, almost carte blanche authority to make the program effective. He must make inducements great enough to take in as much of the acreage as may be possible.

Mr. LANGER. Even going to the extent of helping to build a part of the fence?

Mr. ELLENDER. That is correct. There is nothing in the bill to prevent it.

Mr. LANGER. If the Department could build a part of the fence, it could build all of it.

Mr. ELLENDER. That might be used as one of the incentives.

Mr. LANGER. I thank the Senator from Louisiana.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The questions propounded by the Senator from North Dakota are exceedingly helpful, because they pinpoint typical situations. I did a little figuring while the Senator from North Dakota was discussing with the Senator from Louisiana the situation of one 30-acre piece of land, and I find that under the present loan rate available in the particular county mentioned, the total gross income from that farm would have been \$729. There would be 405 bushels, the average yield being 13.2 bushels per acre. The amount of money available for payment under the acreage reserve benefits would be \$405, but that would be the net amount. The gross take under the loan rate would be \$729. The net would be \$405.

So, what we tried to do in the bill—and the chairman, more than anyone else, continued to insist upon it—was to give to the Secretary as much authority and as much opportunity as might be possible under the terms of the bill to pay as large benefits as he could and to do everything possible to make the program work.

Mr. ELLENDER. To make it attractive.

Mr. HUMPHREY. Yes. If we are going to have the voluntary principle in the bill, the attitude of the majority of the committee, and, in this instance, I believe, all the members of the committee, was to make the program so attractive that it would be economically desirable for the farmer to take out of his allotted acres a certain number of acres for purposes of extra crop reduction.

Mr. LANGER. Which amount should the farmer take—\$729 or \$405?

Mr. HUMPHREY. I think I would take \$405, because there would be no cost of seeding, no cost of harvesting, or other items involved. It would be \$405 for doing one thing, namely, being willing to take out of production 30 acres of land with no risk in terms of weather, in terms of hail, or in terms of any kind of insect infestation. There would be no cost for fertilizer, for seed, or for threshing. In other words, it would seem to me to be a pretty good net. I think if Mr. Farmer figures \$729 as his



gross, if he could make \$405 net, he would be doing fairly well.

It appears to me that we should recognize that the formula we are talking about is something which the Department has said it is their intention to follow. It is not written, per se, in the bill, but the chairman, in order to fulfill the intention and make the intention as binding as might be possible, has placed it in the legislative history in the report of the committee.

Mr. ELLENDER. Mr. President, since we are discussing that feature of the bill, I ask unanimous consent that the portion of the report dealing with the tentative suggestions made by the Secretary of Agriculture be printed in the RECORD at this point in connection with the debate.

There being no objection, the excerpt from the report (No. 1484) was ordered to be printed in the RECORD, as follows:

**TENTATIVE PROPOSALS FOR ADMINISTRATION OF THE SOIL BANK ACT**

**ACREAGE RESERVE**

The acreage reserve plan is designed to induce farmers to leave unplanted a portion of their allotment acreages for corn, wheat, cotton, rice, and certain types of tobacco. Tentative plans are as follows: The county ASC committees would set a farm yield rating for each farm for each of these allotment crops based on the average or normal yield for the last 5 years except for wheat for which the last 10 years would be used. The local ASC committee would advise each farmer of the dollar payment per acre he might receive for underplanting one or several of his allotments. The rate of payment would be based on a percentage of the loan rate times the approximate normal yield. The farmer would have to designate lands to be placed in the acreage reserve of equal quality to those used for the crop and agree that the acres so designated would not be harvested or grazed.

In the case of small farms, under the tentative plans, the farmer would be permitted to participate in the acreage reserve to the full amount of his acreage allotment up to 30 acres for grain and 10 acres for cotton. For large farms, the maximum would be 50 percent of the allotment. There would also be a minimum acreage which could be placed in either the conservation reserve or the acreage reserve. Provisions would be included in the program requiring protection of the rights of tenants and sharecroppers.

**CONSERVATION RESERVE**

The conservation reserve plan is designed to take lands out of the production of crops for periods of 3 to 15 years and place such lands in conservation uses such as grass, trees, and other approved conservation practices. The establishment of vegetative cover, water storage facilities, improving and expanding forest cover and other conservation measures which will be obtained under the conservation reserve program, will contribute to flood prevention by retarding runoff of rainwater, prevention of soil erosion, and by providing storage of water. Water storage will be accomplished both by increased soil storage capacity and by water storage structures. These same measures, coupled with the less intensive use provided for, will conserve and rebuild soil fertility and retard soil depletion.

It is tentatively planned that in each county, the ASC committee would offer to enter into contracts specifying (1) the acreage to be placed in the program; (2) the payments to be made; and (3) the use to be made of the acres. Nationally, the annual payment on such lands would probably average about \$10 per acre. Rates within a

county would vary with the quality of the land. Payment rates would be determined by areas. In addition, it is tentatively planned that the contract would provide that the Government pay up to 80 percent of the cost of applying the agreed-upon conservation practices on such lands. So far as practicable, the conservation practices which would qualify for cost-sharing payments would be the same and at the same rates as under the ACP program.

To provide further detail there follows background material developed in the Department to illustrate how the proposed soil bank program would work, what administrative regulations might have to be made, suggested rates of payment for participation, and other pertinent information. This material (amended to include tobacco) was presented to the Senate Committee on Agriculture and Forestry, February 3, and has been made public by it. The Department emphasizes that the information included in the attached statement is necessarily very tentative and should be treated accordingly. Extensive checking with farmers in the field will be needed. Final arrangements for carrying out the soil bank will of course, depend upon the final form of legislation involved. The Department of Agriculture will welcome continued suggestions and recommendations from farmers.

**PLANS FOR IMPLEMENTING THE SOIL BANK (TENTATIVE)**

These are the types of administrative regulations which might be needed assuming the legislative proposals which have been made,

**I. ACREAGE RESERVE—OBJECTIVE: REDUCE PRODUCTION OF ALLOTMENT CROPS**

A. Establishment of yields to serve as a basis of payment:

1. Follow this procedure:

(a) Use check yields during 1951-55 as a base.

(b) Break the national yield figure down by States and counties.

(c) County committeemen determine normal yields for community (these weight out to county normal yields).

(d) Community committeemen establish a normal yield for each farm in the community which grows the allotment crop con-

cerned. Each such farm will be placed in one of 5 or 7 yield categories, ranging above and below the community average. Adjustment procedures will be used to line yields with community average. (Up to this point everything can be done in the county office and will move rapidly.)

(e) Individual farmers will be invited to offer land for the acreage reserve which is equal in productivity to land which has been used for the given crop on their farms. Thus they can be quoted a dollar figure per acre for typical land for the allotment crop on the farm. With the possible exception of the first year, farmers should indicate their intention to participate prior to planting time. Farmers may sign up for land better than average for the farm in which case they will receive payments based on a higher yield. If below average, a lower per acre payment will be made.

B. Preliminary payment rates, minimum and maximum participation and cost:

1. Payment rates, the extent to which these rates need to be varied according to quality, location, and other factors is still under study (these figures are preliminary and are being checked in the field):

(a) Cotton, 50 percent of the average support price.

(b) Wheat, 50 percent of the support price (legislation may not be forthcoming in time to make a program this year on winter wheat practical).

(c) Corn, 50 percent of the support price. Discussions continue on the serious difficulties of including corn in this program.

(d) Rice, 50 percent of the support price.

2. Maximum and minimum participation (these should be administrative matters, not specified in the law; also there should be discretion to take care of farmers who for reasons of sickness or disability may not wish to operate their farms):

(a) Maximum: Grain, 30 acres or 50 percent of allotment, whichever is larger; cotton, 10 acres or 50 percent of allotment, whichever is larger.

(b) Minimum: Grain, 10 acres or allotment, whichever is smaller; cotton, 2 acres or allotment, whichever is smaller.

3. Participation and cost, national basis (highly tentative):

|              | Acreage which might come in millions | National average yield per acre | Rate of payment based on normal yield | Approximate cost per acre | Total cost (in millions) |
|--------------|--------------------------------------|---------------------------------|---------------------------------------|---------------------------|--------------------------|
| Cotton.....  | 3- 5                                 | 303 pounds.....                 | 50 percent of loan level....          | \$50                      | \$150-\$250              |
| Wheat.....   | 12-15                                | 15.8 bushels.....               | do.....                               | 17                        | 200- 250                 |
| Corn.....    | 4- 6                                 | 44.2 bushels <sup>2</sup> ..... | do.....                               | 38                        | 150- 220                 |
| Rice.....    | .3                                   | 2,500 pounds.....               | do.....                               | 60                        | 18- 20                   |
| Tobacco..... | .1                                   | 1,250 pounds.....               | do.....                               | 100                       | 10                       |
| Total.....   | 19.4-26.4                            | .....                           | .....                                 | .....                     | 528- 750                 |

<sup>1</sup> Based on both winter and spring crop.

<sup>2</sup> Commercial corn area yield.

NOTE.—These are based on 90-percent supports and optional parity.

C. Agreement—landlord-tenant relationship:

1. Compensation is to be divided among interested landlords and tenants on the farms in the same proportion as they would have shared in the crop in the absence of a reserve acreage program, unless division on another basis is agreed upon by landlords and tenants and their agreement is approved by the county committee in accordance with standards prescribed by the State committee.

**II. CONSERVATION RESERVE—OBJECTIVE: TAKE OUT THE LESS PRODUCTIVE CROPLAND**

A. Conservation reserve rental rates:

1. Establishment costs, \$19 per acre, national average:

(a) Pay 80 percent of costs, not to exceed a maximum of \$25 per acre for either forage or trees.

(b) Keep incentives aligned with ACP so as not to upset the ACP program.

2. Rental rates:

(a) \$10 per acre, average for the United States.

(b) State rental rates established on basis of land values, productivity, and other factors.

(c) County rental rates would vary on the basis of such factors as county yields and value of farmland. County rates would be adjusted so that the weighted average did not exceed the State rate. No county rate would exceed \$20 per acre:

(d) Farm rental rates would be established on the basis of specified acreage placed in conservation reserve. Rates would be based on relative productivity of specified acreage.

(e) Rental rates would need to be adjusted if grazing is permitted within the contract period.



## B. Practices:

1. Eligible land should be land which was used for the production of row crops or small grain during at least 1 of the last 3 years.

2. Forage (enough seed to plant about 14 million acres in 1956):

(a) Prefer perennials.

(b) Annuals satisfactory when seeded with perennials.

(c) Annuals satisfactory alone when no perennial seed available and appropriate practices can be followed. Due to seed limitations, some latitude may be needed regarding soil protective practices during the first year or two.

3. Trees (enough stock to plant about half a million acres in 1956):

(a) Adapted forest trees.

(b) Shrubs when interplanted for shelter-belt purposes.

4. Water storage:

(a) Cost of water retention dams shared.

## III. OPERATING PROCEDURE

A. We are now checking our tentative inducements and procedures in the field.

B. Develop data as soon as legislative action permits.

C. Hold educational meetings, perhaps on a county basis.

D. Arrange for signup dates and meetings.

E. Minimize the number of farm visits by handling as many things at one time as can conveniently be done.

F. There are no funds for administrative work until and unless the Congress acts.

G. If legislative action is not taken prior to April 15 it will be extremely difficult to get a program this year, except for wheat seeded in the fall of 1956.

## IV. THE CERTIFICATES

A. Draw them in terms of dollars.

B. Redemption, if the farmer elects it, to be accomplished by purchase of the relevant commodity at specified rates.

C. Interest rate probably 3½ percent.

D. Maturity date probably at the time the loan normally would mature. Loans for the various commodities might all be matured at the same date.

## Cotton

Bolivar County, Miss.:

|                                            |            |
|--------------------------------------------|------------|
| County normal yield (pounds per acre)..... | 339        |
| Size of farm (acres).....                  | 240        |
| Acreage allotment (acres).....             | 70         |
| Acres put into reserve (acres).....        | 15         |
| Farm normal yield (pounds per acre).....   | 450        |
| Payment rate per acre.....                 | \$67.50    |
| Payment.....                               | \$1,012.50 |

Orangeburg County, S. C.:

|                                             |       |
|---------------------------------------------|-------|
| County normal yield (pounds per acre).....  | 323   |
| Size of farm (acres).....                   | 60    |
| Acreage allotment (acres).....              | 15    |
| Acres put into reserve (acres).....         | 5     |
| Farm normal yield (pounds per acre).....    | 300   |
| Payment rate per acre.....                  | \$45  |
| Acreage reserve payment.....                | \$225 |
| Conservation reserve acreage (acres).....   | 20    |
| Cost of establishing grass.....             | \$500 |
| Payment at 80 percent of cost.....          | \$400 |
| Annual payment.....                         | \$140 |
| Conservation reserve payment, 1st year..... | \$540 |
| Soil-bank payment, 1st year.....            | \$765 |

## Wheat

Ward County, N. Dak.:

|                                             |      |
|---------------------------------------------|------|
| County normal yield (bushels per acre)..... | 13.2 |
| Size of farm (acres).....                   | 320  |
| Acreage allotment (acres).....              | 120  |

Ward County, N. Dak.—Con.

|                                                    |         |
|----------------------------------------------------|---------|
| Acreage put into reserve (acres).....              | 30      |
| County loan rate (approximately) (per bushel)..... | \$1.80  |
| Farm normal yield (bushels per acre).....          | 15      |
| Payment rate per acre.....                         | \$13.50 |
| Payment.....                                       | \$405   |

Cheyenne County, Kans.:

|                                                    |          |
|----------------------------------------------------|----------|
| County normal yield (bushels per acre).....        | 20.7     |
| Size of farm (acres).....                          | 240      |
| Acreage allotment (acres).....                     | 90       |
| Acreage put into reserve (acres).....              | 15       |
| County loan rate (approximately) (per bushel)..... | \$1.80   |
| Farm normal yield (bushels per acre).....          | 19       |
| Payment rate per acre.....                         | \$17.10  |
| Payment.....                                       | \$256.50 |

NOTE.—If 40 acres were put in the reserve, payment would be \$684.

## Corn

Blue Earth County, Minn.:

|                                                    |          |
|----------------------------------------------------|----------|
| County normal yield (bushel per acre).....         | 56.8     |
| Size of farm (acres).....                          | 160      |
| Acreage allotment (acres).....                     | 50       |
| Acreage put into reserve (acres).....              | 10       |
| County loan rate (approximately) (per bushel)..... | \$1.30   |
| Farm normal yield (bushels per acre).....          | 70       |
| Payment rate per acre.....                         | \$45.50  |
| Payment.....                                       | \$455.00 |

Marshall County, Iowa:

|                                                    |            |
|----------------------------------------------------|------------|
| County normal yield (bushels per acre).....        | 58.4       |
| Size of farm (acres).....                          | 320        |
| Acreage allotment (acres).....                     | 140        |
| Acreage put into reserve (acres).....              | 40         |
| County loan rate (approximately) (per bushel)..... | \$1.32     |
| Farm normal yield (bushels per acre).....          | 58.4       |
| Payment rate per acre.....                         | \$38.54    |
| Payment.....                                       | \$1,541.60 |

NOTE.—If he elects to put 25 acres into the reserve his payment would be \$1,137.50.

## Rice

Arcadia Parish, La.:

|                                            |            |
|--------------------------------------------|------------|
| Parish normal yield (pounds per acre)..... | 2,177      |
| Size of farm (acres).....                  | 400        |
| Acreage allotment (acres).....             | 100        |
| Acreage put into reserve (acres).....      | 20         |
| Parish loan rate (per hundred-weight)..... | \$4.16     |
| Farm normal yield (pounds per acre).....   | 2,400      |
| Payment rate per acre.....                 | \$49.92    |
| Payment.....                               | \$998.40   |
| Plus                                       |            |
| Cotton-acreage allotment (acres).....      | 40         |
| Acreage put into reserve (acres).....      | 10         |
| Farm normal yield (pounds).....            | 400        |
| Cotton payment.....                        | \$600      |
| Total payment.....                         | \$1,558.40 |

Colusa County, Calif.:

|                                            |          |
|--------------------------------------------|----------|
| County normal yield (pounds per acre)..... | 3,084    |
| Size of farm (acres).....                  | 280      |
| Acreage allotment (acres).....             | 90       |
| Acreage put into reserve (acres).....      | 10       |
| County loan rate (per hundred-weight)..... | \$3.50   |
| Farm normal yield (pounds per acre).....   | 3,000    |
| Payment rate per acre.....                 | \$52.50  |
| Payment.....                               | \$525.00 |

## Conservation reserve

1. Farm in western Kansas:

|                                                                                 |       |
|---------------------------------------------------------------------------------|-------|
| 960 acres.                                                                      |       |
| 100 acres put into conservation reserve.                                        |       |
| Total cost of establishing grass cover at \$7 per acre.....                     | \$700 |
| Payment to farmer at 80 percent of the cost.....                                | 560   |
| Yearly rental, based on productivity of the specific acres at \$5 per acre..... | 500   |
| Payment to farmer the 1st year, \$560 plus \$500.....                           | 1,060 |
| Payment in subsequent years for duration of the contract.....                   | 500   |

2. Farm in the Piedmont:

|                                                                                  |       |
|----------------------------------------------------------------------------------|-------|
| 120-acre farm.                                                                   |       |
| Takes out 60 acres, puts 30 in grass, 30 in trees.                               |       |
| Total cost of establishing 30 acres of grass at \$30.....                        | \$900 |
| Total cost of establishing 30 acres of trees at \$12.....                        | 360   |
| Payment to farmer equal to 80 percent of costs.....                              | 1,008 |
| Annual payment, based on productivity of the reserve acres, at \$8 per acre..... | 480   |
| Payment 1st year, \$1,008, plus \$480.....                                       | 1,488 |
| Payment in subsequent years for duration of the contract.....                    | 480   |

3. Farm in New England:

|                                                                                   |         |
|-----------------------------------------------------------------------------------|---------|
| 150-acre farm.                                                                    |         |
| Puts 30 acres into conservation reserve.                                          |         |
| Total cost of establishing grass cover at \$35 per acre.....                      | \$1,050 |
| Payment to farmer at 80 percent of the costs but not to exceed \$25 per acre..... | 750     |
| Rental at \$10 per acre.....                                                      | 300     |
| Total payment, 1st year, \$750 plus \$300.....                                    | 1,050   |
| Payment in following years for duration of the contract.....                      | 300     |

4. Farm in the Corn Belt:

|                                                              |       |
|--------------------------------------------------------------|-------|
| 320-acre farm.                                               |       |
| Puts 20 acre hill field into conservation reserve.           |       |
| Total cost of establishing grass cover at \$25 per acre..... | \$500 |
| Payment to farmer at 80 percent of the cost.....             | 400   |
| Rental at \$15 per acre.....                                 | 300   |
| Total payment, 1st year, \$300 plus \$300.....               | 700   |
| Payment in following years for duration of the contract..... | 300   |

## Corn and wheat

Montgomery County, Ill.:

|                                           |         |
|-------------------------------------------|---------|
| Size of farm (acres).....                 | 320     |
| County corn yield (bushels).....          | 56.1    |
| Corn acreage allotment (acres).....       | 100     |
| Farm normal yield (bushels per acre)..... | 60      |
| Acreage put into reserve (acres).....     | 50      |
| County loan rate (approximate).....       | \$1.42  |
| Payment rate per acre.....                | \$42.60 |
| Payment.....                              | \$2,130 |
| County wheat yield (bushels).....         | 24.4    |
| Wheat acreage allotment (acres).....      | 40      |
| Farm normal yield (bushels per acre)..... | 25      |
| Acreage put into reserve (acres).....     | 20      |
| County loan rate (approximate).....       | \$1.90  |
| Payment rate per acre.....                | \$24.75 |
| Payment.....                              | \$495   |
| Total acreage reserve payment.....        | \$2,625 |

For reference purposes there follows a statement showing data on planted acreages, production and CCC loan and inventory stocks of the commodities eligible under the acreage reserve program.



United States Department of Agriculture,  
Commodity Stabilization Service—Acreage,  
production, CCC stocks, and CCC loan  
operations, principal crops

|                                                                                    |               |
|------------------------------------------------------------------------------------|---------------|
| <b>All cotton:</b>                                                                 |               |
| Acreage in cultivation July 1, 1955 (acres)-----                                   | 17,489,000    |
| Production 1955 (bales)---                                                         | 14,476,000    |
| CCC-owned stocks Feb. 8, 1956 (bales)-----                                         | 7,115,816     |
| Under CCC loan Feb. 3, 1956 (bales)-----                                           | 6,602,887     |
| <b>Corn:</b>                                                                       |               |
| Acreage planted 1955 (acres)-----                                                  | 81,577,000    |
| Production 1955 (bushels)---                                                       | 3,184,836,000 |
| CCC-owned stocks Jan. 18, 1956 (bushels)-----                                      | 745,377,000   |
| Under CCC loan Jan. 15, 1956 (bushels)-----                                        | 200,300,000   |
| <b>Wheat:</b>                                                                      |               |
| Acreage planted 1955 (acres)-----                                                  | 58,284,000    |
| Production 1955 (bushels)---                                                       | 938,159,000   |
| CCC-owned stocks Jan. 18, 1956 (bushels)-----                                      | 857,471,000   |
| Under CCC loan Jan. 15, 1956 (bushels)-----                                        | 256,480,000   |
| <b>Rice (rough):</b>                                                               |               |
| Acreage planted 1955 (acres)-----                                                  | 1,842,000     |
| Production 1955 (hundredweight)-----                                               | 53,420,000    |
| CCC-owned stocks Jan. 18, 1956 (hundredweight)---                                  | 18,532,000    |
| Under CCC loan Jan. 15, 1956 (hundredweight)---                                    | 14,925,000    |
| <b>Tobacco:<sup>1</sup></b>                                                        |               |
| <b>Cigar binder, type 51—</b>                                                      |               |
| Acreage harvested 1955 (acres)-----                                                | 7,900         |
| Production (pounds)---                                                             | 12,401,000    |
| CCC-owned stocks Dec. 31, 1955-----                                                | None          |
| Under CCC loan through associations, types 51 and 52, Dec. 31, 1955 (pounds)-----  | 7,660,000     |
| <b>Cigar binder, type 52—</b>                                                      |               |
| Acreage harvested (acres)-----                                                     | 5,700         |
| Production 1955 (pounds)-----                                                      | 10,117,000    |
| CCC-owned stocks Dec. 31, 1955-----                                                | None          |
| Under CCC loan Dec. 31, 1955. (Included with 51 above.)                            |               |
| <b>Cigar binder, type 54—</b>                                                      |               |
| Acreage harvested 1955 (acres)-----                                                | 4,700         |
| Production 1955 (pounds)-----                                                      | 6,815,000     |
| CCC-owned stocks (pounds)-----                                                     | 95,000        |
| Under CCC loan through associations, types 54 and 55, Dec. 31, 1955 (pounds)-----  | 5,541,000     |
| <b>Cigar binder, type 55—</b>                                                      |               |
| Acreage harvested 1955 (acres)-----                                                | 9,700         |
| Production 1955 (pounds)-----                                                      | 12,778,000    |
| CCC-owned stocks-----                                                              | None          |
| Under CCC loan. (Included with 54 above.)                                          |               |
| <b>Burley—</b>                                                                     |               |
| Acreage harvested 1955 (acres)-----                                                | 322,300       |
| Production 1955 (pounds)-----                                                      | 509,835,000   |
| CCC stocks-----                                                                    | None          |
| Under CCC loans Dec. 31, 1955, of which 72,800,000 lbs. is 1955 crop (pounds)----- | 476,100,000   |

Footnote at end of table.

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Tobacco—Continued

|                                                                                                    |               |
|----------------------------------------------------------------------------------------------------|---------------|
| <b>Flue cured—</b>                                                                                 |               |
| Acreage harvested 1955 (acres)-----                                                                | 991,700       |
| Production 1955 (pounds)-----                                                                      | 1,504,075,000 |
| CCC-owned stocks-----                                                                              | None          |
| Under CCC loan Dec. 31, 1955, including practically all of 1955 that will be covered (pounds)----- | 597,500,000   |

<sup>1</sup> All tobacco data except acreage are on farm-sales-weight basis.

Mr. ELLENDER. Mr. President, I wish to emphasize that these are only tentative suggestions advanced by the Secretary. In our discussion of the matter with his assistants, it was made plain to us that if the suggestions were not sufficient to do the job, the inducements could be made more attractive, as my good friend from Minnesota has said. That is why the committee gave the Secretary the power to proceed to prepare a program which would be so attractive that the farmers would accept it.

When we discussed the matter at first, I was one who thought that the best way to accomplish the first phase of the program—namely, the reduction in planting of allotted acres—would be to pay a fair rate and make the reduction compulsory.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. But when the Secretary appeared before the committee and suggested that he could make a voluntary plant so attractive that compulsion would not be necessary, all of us agreed to give the Secretary the power and to let him proceed to do it.

Mr. HUMPHREY. I think the RECORD ought to be made perfectly clear that the intent of the committee, as I interpret it, at least, was to say, "Mr. Secretary, you have asked for a voluntary program. We are providing in the bill an authorization of funds which is very generous. You have the authority; it is unrestricted."

I do not think there is any restrictive language in the bill in terms of payments, except as to minimums, and, as I recall, a maximum of \$100 an acre on tobacco. Is not that correct?

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. But we have said to the Secretary, in effect, "If you want to get acreage reduction in an acreage reserve program on a voluntary basis, you will have to make it so attractive that any farmer figuring what he can produce on the land on the basis of the average production will find it more desirable to go into the program than to stay out of it." That means the Secretary will have to act on the generous side, because every farmer will feel that he will get a bumper crop this year on the 30 acres.

Mr. LANGER. That is what I was coming to.

Mr. HUMPHREY. I thought I saw the gleam in the Senator's eye.

Mr. LANGER. The greatest gambler in the world is the farmer. In that re-

spect he has everybody in Wall Street beat. The farmer will plant his 30 acres. He will say, "This year I am going to get 30 bushels to the acre." Does the Senator from Louisiana think the farmer will voluntarily go into the program?

Mr. ELLENDER. My hope is that the farmer will cooperate. He must realize that so long as heavy surpluses dangle over the market, he can expect to receive depressed prices. I am quite certain the farmers are realists; and if the amount to be paid to them is made attractive, as is contemplated, I really believe they will cooperate to the fullest extent.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana further yield?

Mr. ELLENDER. I yield for a question.

Mr. HUMPHREY. It appears to me that if the farmer in his wisdom and judgment, and, as the Senator from North Dakota says, in accordance with his well known and well established gambling spirit, in terms of the productivity of his soil, decides not to go into the program, he still will have allotted acres.

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. He will still receive price support only on his commodities produced on allotted acres. The worst that could happen would be that the Department of Agriculture estimates, based on expert opinion with regard to allotted acres, would be fulfilled. The number of acres allotted is according to the best judgment of the Department of Agriculture as to the needs of production for a particular year in a particular commodity.

The only reason why the acreage reserve idea was injected into the program was, as I gathered, so that the Department could empty its warehouses by cutting down on the production of allotted acres below what the domestic expert opinion would figure for a particular year.

Mr. ELLENDER. I think we have made that very plain during the course of the debate this afternoon.

Mr. LANGER. So instead of getting cash, the farmer will receive a commodity.

Mr. ELLENDER. That is correct. He can take the commodity instead of cash.

Mr. LANGER. If he gets a commodity, will it mean that he can get wheat? Is that 10 percent more than cash?

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. In order to encourage the farmer to use some of the surpluses, he can buy the commodities and get a 10-percent increase in the value of the certificate.

Mr. LANGER. What can the farmer do with the wheat if he gets it from surplus?

Mr. ELLENDER. He can feed it, or use it in any other way he pleases.

Mr. LANGER. Can he sell it on the open market.



Mr. ELLENDER. Oh, yes.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. SYMINGTON. Who will handle the program when it goes into effect? If the bill shall be passed, who will administer the program?

Mr. ELLENDER. It will be administered by the Secretary of Agriculture, with the assistance of all the State committeemen and those handling the technical phases of the soil conservation program, including the land-grant colleges. I read section 218 of the bill:

In administering this act in the continental United States, the Secretary shall utilize the services of community, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

Section 219 provides:

SEC. 219. With respect to conservation aspects of any program under this act, the Secretary shall consult with the soil-conservation districts, State foresters, land-grant colleges, and other appropriate agencies of State governments in the formulation of program provisions at the State and county levels. The technical resources of the Soil Conservation Service, the Forest Service, the land-grant colleges, the State foresters, and other appropriate technical services shall be utilized, so far as practicable, to assure coordination of conservation activities and a solid technical foundation for the program.

Mr. SYMINGTON. That means, does it not, that in the States, the State ASC committees will have the primary authority within the States to execute the law in accordance with the specifications issued by the Department of Agriculture?

Mr. ELLENDER. They will assist in formulating and administering the program.

Mr. SYMINGTON. Does the Senator from Louisiana believe that the program should be administered at the grassroots; that is, that the county committees should have something to say? Or should the program be operated by the State committees?

Mr. ELLENDER. The program will be operated, so far as possible, from the grassroots. Those in the field certainly will insist not only in administering the program, but in formulating the plans.

The State foresters will be consulted. As the Senator knows, the reason is that for many years there has been a cooperative program between the States and the Federal Government in effect with reference to forestry. I think title VI of the bill has a special provision for afforestation and reforestation.

Mr. SYMINGTON. I do not want to labor the point, but does the Senator feel that the county committees in the various States are important in the execution of the program?

Mr. ELLENDER. They are very important.

Mr. SYMINGTON. Does the Senator feel that the office managers of the various county committees should report to the county committees, or that the county committees should report to the office managers?

Mr. ELLENDER. That is something I would prefer not discussing now. I am familiar with what the Senator has in mind, but I would not care to engage in a debate on it now. The Senator from Minnesota [Mr. HUMPHREY] is, I think, looking into that matter so far as it pertains to Missouri. Let us hope the problem can be settled in some way.

Mr. SYMINGTON. Mr. President, will the Senator yield for a further question on this matter, which I consider to be important?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I suggest that the Department of Agriculture has now issued a directive to the effect that the office manager can approve the payroll of himself and those who work for him without any reference to the county committee. Does not that really mean that the office manager is now working independently of the county committee, and under the direction of the Department of Agriculture?

Mr. ELLENDER. If I am to judge by the case cited by the Senator from Missouri, I do not think there is any doubt about it.

Mr. SYMINGTON. I want to support the Senator in obtaining the passage of the bill to the best of my ability and in every way I can, but I am wondering if there are adequate safeguards in the bill as to its execution. After all, a bill in itself means literally almost nothing. It is whether or not the bill will be administered properly in accordance with the wishes of Congress that really counts.

Mr. ELLENDER. The Secretary is given ample opportunity to administer the bill along the lines which we are now speaking. It is my sincere hope that it will be administered in that manner. As I said yesterday, and again this afternoon, it is my hope that whoever will administer the bill after it has been passed will be sympathetic with what Congress is trying to do. If he is not, the President ought to get somebody who is.

Mr. SYMINGTON. I thank the Senator. He has covered the point.

Will the Senator yield so that I may make inquiry regarding another aspect of the bill?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. The president of the National Farm Organization, a new farm organization, told us, in a meeting of the Missouri delegation, that in some parts of the country he represented 25 percent of the farmers would go bankrupt in the next 60 or 90 days, because the banks had stated they could not continue to accept obsolete farm equipment as collateral for loans, and the farmers do not have the money with which to pay off the loans. Therefore, the farm people were anxious that the bill give them some immediate relief.

Will the Senator from Louisiana tell us whether he thinks the pending bill will at least in part answer that request?

Mr. ELLENDER. As I indicated yesterday and again today, the only immediate income relief provided in the bill will be through adoption of the 90 percent of parity support provision. The rest of the bill relates to long-term bene-

fits. It is entirely possible that next year may bring better prices for grain, and, in fact, even cattle, poultry, and dairy products. This may occur because grains will cost more. There will probably be a shorter supply of grains. That possibility will help stabilize the livestock industry.

It is my judgment that if as much as 25 million acres are put into the conservation reserve, there will be less oats, barley, and grain grown. Those crops are now in surplus because of diversion of other acres to those crops.

On the other hand, under the acreage reserve program, whereby acres which are allotted to basic crops are to be taken out of production, if a sufficient number of those acres can be taken out of production, there will be a tendency not to aggravate further our surpluses. If that occurs, it is bound to increase the prices of the commodities next year, because there will be less production.

That, however, as I said, would come about on a long time basis. It might take 2 years, or perhaps 3 years, to get rid of the surpluses which are now glutting our market and which are so destructive to the price structure.

There is another provision in the bill which could give immediate assistance, if properly utilized. As the Senator knows, the Secretary of Agriculture is authorized to use section 32 funds to purchase perishable commodities and to stabilize markets. Those funds are equal to 30 percent of customs duties. The Secretary had about \$462 million available from the source as of July 1, 1955. He could spend no more than 25 percent of that amount for any 1 commodity.

Mr. SYMINGTON. How much did the Secretary have on hand last year at this time?

Mr. ELLENDER. I do not recall. It was a little over \$400 million. For this fiscal year he had about \$460 million. That sum will be supplemented by \$250 million in this proposal.

Mr. SYMINGTON. Does the Senator think, based on the record and past history, the Secretary of Agriculture is prone to utilize funds of that character in order to help the farmer?

Mr. ELLENDER. As I said, it is my hope that he will do so. If the Secretary will not, it is my hope he will be made to do it, or that the President will get somebody who will.

Mr. SYMINGTON. If Congress does not approve of the 90 percent of parity support provision of the bill, and the other component parts of the bill are passed, how long does the Senator think a farmer who is in bad condition, so far as his bank is concerned, will have to wait before he will receive any tangible relief under the bill?

Mr. ELLENDER. It all depends on what shape he is in. If he is in bad shape, he might not be able to wait until next year. Next year he may be a little better off, because the prices of commodities which he produces may go up. By taking acres out of production, a little scarcity will be created. As I said, however, since the program is on a voluntary



basis, nobody knows how many farmers will participate in it. It is my hope that, with the power the Secretary of Agriculture has, he will make it so attractive that the goal set by the committee will be reached. If that goal is reached, it is my judgment that some farmers may benefit in the latter part of 1956, but only farmers who have something to plant and sell and cultivate will benefit.

Mr. SYMINGTON. In other words, the primary possibility of assistance for the farmer this year lies in the 90 percent of parity provision of the bill. Is that correct?

Mr. ELLENDER. In high price supports; that is correct.

Mr. SYMINGTON. If these supports are not provided, the farmer will probably have to wait until next year to receive appreciable benefits under the bill. Is that correct?

Mr. ELLENDER. Yes, if he can get enough credit.

Mr. SYMINGTON. If he cannot get any credit, he will go broke. Is that correct?

Mr. ELLENDER. That is correct.

Mr. President, the Senator from North Dakota [Mr. Young] desires to follow me in my remarks. I have been kept very busy answering questions; I requested that Senators propound questions as my address proceeded, and I am not complaining.

(At this point Mr. ELLENDER yielded, first to Mr. WILLIAMS, who addressed the Senate on the subject of tax delinquencies, and then to Mr. Young, who addressed the Senate on the subject of the agricultural bill. On request of Mr. ELLENDER, and by unanimous consent, the remarks of Mr. WILLIAMS and Mr. Young were ordered to be printed in the RECORD at the conclusion of the speech of Mr. ELLENDER.)

Mr. ELLENDER. Mr. President, if the soil-bank program is not going to put extra dollars into the farmers' pockets in 1956, then just how does the Secretary of Agriculture propose to get agriculture out of the depressed state in which we now find it? As I have pointed out, the Secretary is not offering the farmers higher price levels in 1956 as compared to 1955. On the contrary, while he talks about increasing the farmer's income on the one hand, we find him hacking away at price-support levels on the other.

Wheat, corn, and rice producers have already felt the pinch in support prices for this year, and no doubt cotton and peanuts will be the next to feel the impact of lower price supports, unless we return to 90 percent price supports as the committee has suggested.

The trouble with the Secretary of Agriculture these days is that he is behaving like a bull with a red flag waved before him. Whenever 90 percent price supports are mentioned around him, he immediately sees red and runs around in circles. He has become so obsessed with the idea that 90 percent price supports have brought about high production, that he has overlooked the rather obvious fact that his own Department of Agriculture, under the splendid research programs which have been carried on over the years, is primarily accountable for

the present era of agricultural abundance. You can examine the Agriculture Department's crop-production records, and the one fact stands out that for every major crop there has been a steady upward swing in yields per acre over the years, commencing in the early 1930's but becoming especially accelerated since World War II.

New varieties, better cultivation methods, more efficient fertilizers, insect- and weed-control formula, mechanical harvesters—these and other 20th century innovations have played their part in increasing the quantity of food and fiber that can now be produced from an acre of ground. The record shows that during the past 14 years the same number of acres planted on our farms have produced 42 percent more food and fiber.

The evidence is abundant that, certainly with respect to the basic crops, the major portion of today's agricultural surpluses have come from increased yields per acre and not from increased acres devoted to the crops. It is true that during the Korean war, when our Government was sorely pressed for food and fiber and our war planners thought that huge quantities of these commodities were needed in reserve to cope with the uncertainties of the future, the American farmers were urged by the President of the United States and by the then Secretary of Agriculture, Mr. Brannan, to plant and produce to the utmost.

I read from the President's emergency proclamation issued on December 16, 1950:

I summon our farmers, our workers in industry, and our businessmen to make a mighty production effort to meet the defense requirements of the Nation and to this end to eliminate all waste and inefficiency and to subordinate all lesser interests to the common good.

Farmers were urged at this time to take every available acre into cultivation and to devote it to cotton, corn, wheat, rice, and other crops that, in times of all-out war, have become even more necessary than guns and airplanes. It was during this period, when farmers were doing their utmost to comply with the wishes of their Government, and thereby contribute to the security and well-being of the Nation, that our surplus problems began to aggravate the farm economy. It was during this period particularly that yields per acre continued to increase phenomenally. Then when the Korean war ended, the Government took steps to bring agricultural production back in line with demand. The gates of flood-tide production had already been opened wide, however, and surpluses were building up.

Our Nation's mighty agricultural plant, which had produced such an abundance of products in wartime, could not be turned off overnight. Nor did the Government try to turn off overnight its mighty industrial plant. It should be remembered that after Korea, our Government has continued to spend billions to keep our defense plants operating, not only to build up our own defenses, but also the defenses of our allies throughout the world. Our agricultural plant was not accorded equal treatment,

however. Instead of continuing to produce food and fiber products in this country in order to supply our allies, our Government's policy instead was to encourage our allies to become self-sufficient in food production. We spent millions in that direction over the years.

Mr. President, we have heard considerable debate during the past few years about the evils of 90 percent of parity—how high, fixed-support levels were wartime incentives, designed to spur the production of farm commodities. The inference has been that 90 percent of parity supports were the equivalent of a high price for farm commodities—that they were shining goals, sitting atop some agricultural mountaintop, toward which the farmers of America were to strive.

In view of this, Mr. President, I think it is time we looked back a few years and examined the precise situation which confronted the Congress during World War II and the months immediately preceding Pearl Harbor.

In May of 1941, when the clouds of war hovered over our Nation, the Senate and the House both voted separate legislation raising the support levels for the basic commodities. Now, this was not done to increase production, as the debate on the bills involved so pointedly demonstrate. Rather, agriculture was in the doldrums; farm prices were sluggish, and our export markets were vanishing. Wages and corporate profits were going up, but there was little raising trend shown in the agricultural economy of our Nation.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the Government itself asked that the farmers produce, in order that there might be on hand surplus commodities in case of a third world war?

Mr. ELLENDER. There is no doubt about that.

Mr. JOHNSTON of South Carolina. Is it not also true that during the war certain industries were making war materials, and that the Government paid those industries for making the war materials and also paid for a great many war materials which the Government never even received? The Government paid for them because it had contracts outstanding, and when companies which had been manufacturing war materials converted back to manufacturing domestic goods, the Government paid those companies billions upon billions of dollars.

Mr. ELLENDER. I may say to my good friend it was excess of \$41 billion.

Mr. JOHNSTON of South Carolina. More than \$41 billion was paid to industries throughout the Nation. What was paid to agriculture? The only cost to the Government resulted from the Commodity Credit Corporation's buying commodities and selling them at a loss. Is that not correct?

Mr. ELLENDER. That is true. As the record will show and I feel confident it will be brought out during this



debate, from 1933 to November of 1955, the loss on all the basic commodities, which are the commodities we are discussing, was less than a half billion dollars.

Mr. JOHNSTON of South Carolina. If my memory serves me correctly, I believe Russia has been sending its citizens to this country to see how we are producing so much. Is that not correct?

Mr. ELLENDER. Russia has sent delegations to this country, and I hope she will continue to send them.

Mr. JOHNSTON of South Carolina. But Russia is not producing surpluses, so far as food is concerned.

Mr. ELLENDER. That is correct. On my visit to Moscow last year I saw lines of people blocks long waiting to buy small pieces of meat. I remember very well standing in line to see what was going on. Pork was selling at the equivalent of \$2.40 a pound in our money. One could not buy boiled ham for less than the equivalent of \$4 a pound in our money.

Mr. JOHNSTON of South Carolina. If Russia had the surpluses we have today in America, what does the Senator think would be Russia's attitude? Would not she be a little more willing, probably, to start another war, because she had those surpluses?

Mr. ELLENDER. I dislike making such assumptions. I would hate to say such would cause a war, but I am sure Russia would be more willing, probably, to give the free world trouble than would be the case if she did not have the food.

Mr. JOHNSTON of South Carolina. It is certainly true that no nation would want to go to war when it does not have any surpluses of the materials she would need during a war.

Mr. ELLENDER. That is correct.

Mr. JOHNSTON of South Carolina. I am referring particularly to food.

Mr. ELLENDER. If I am to judge from what I saw in Russia last year, there is a severe food shortage. When I say food shortage, I mean that, from what I saw, I do not believe Russia has enough food stored up to wage war for very long. I may be in error about that, but that is the judgment I have to offer, after spending only 10 days in that country. I talked to quite a few people. I visited many of their farms. In many places production on some farms had been far below par.

Mr. JOHNSTON of South Carolina. So it could be that the surpluses in wheat, oats, and corn, as well as cotton, which is one of the materials we have to have in time of war, may be a blessing in disguise.

Mr. ELLENDER. I do not doubt that.

Mr. President, the May 1941 amendment to the Agricultural Adjustment Act, which increased support levels to 85 percent of parity for the basic crops, was designed not to stimulate production, but to attempt to infuse into the agricultural economy of our Nation just a little of the prosperity which other segments—principally labor and industry—were experiencing.

In this connection, let me read from some of the debate in the House of Rep-

resentatives on the conference report on this legislation.

Mr. HOPE is a very prominent Member of the House. He is the ranking Republican member of the Committee on Agriculture of the House of Representatives. He is a very able Member of Congress, and has served his people well and for a long time. This is what Mr. HOPE stated back in 1941, when 85 percent of parity price supports on basics were placed on the statute books. As the record will show, this was done first and foremost, to bring farmers up to the point where they could obtain a little more income, income in line with that being received by other segments of our economy.

By the same token, that is what we are doing here in asking the Senate to reinstate 90 percent of parity price-supports. The purpose is merely to give the farmers of the United States immediate income relief.

This is what Representative HOPE had to say:

I would certainly not want to be understood as urging that loans as high as 85 percent of parity were a permanent solution of the agricultural problem. I think, as far as cotton in particular is concerned, such would be a ruinous policy to follow over a long period; but I believe that for this year, with the emergency that is staring agriculture in the face—

Mind you, Mr. President, that was in May 1941, a few months preceding Pearl Harbor, which occurred in December of that year—

with our export markets at least temporarily gone for cotton and wheat, this provision offers the best method that we can devise to give the farmer an opportunity to secure a price which will be fairly commensurate with the price of the things he has to buy.

This report, if adopted, will likely make unnecessary the acceptance of the Russell amendment, which increases the amount appropriated for parity payments this year by \$150 million and also increases the amount appropriated for parity payments next year from \$212 million, as provided in the House bill, to \$300 million.

Representative FULMER, one of the House conferees on the bill, said:

The other amendment increases the 75-percent loan as carried in the House bill to an 85-percent loan. This loan is for 1 year to take care of this year's crop. There is an amendment on the appropriation bill known as the Russell amendment increasing amount for parity payments from \$212 million to \$450 million, which would be helpful to increase parity payments which would increase purchasing and debt-paying power of farmers. We realized the opposition to this amendment and therefore agreed upon the 85-percent loan so as to give to farmers that which they are clearly entitled to, especially so because of the high prices they have to pay for everything they have to buy at this time. As a matter of fact, farmers are not getting any advantage or help from the defense program in line with other groups, and the assurance of these prices will enable them to pay these advanced prices on what they have to buy.

Thus, Mr. President, 85 percent of parity in the May 1941 amendment to the Agricultural Adjustment Act, as amended, represented an attempt then to achieve much the same goals, price-wise, as the ones the bill of the Senate

Committee on Agriculture and Forestry today attempts to achieve. Its purpose was, not to stimulate production, but to raise farm income and permit the farmer to share in the wartime boom of the early 1940's.

Mr. President, the story does not end here. In July of 1941 the Steagall amendment, which provided price support at 85 percent of parity for the nonbasic commodities, was adopted.

The act of July 1, 1941, which contains the so-called Steagall amendment, increased the borrowing authority of the Commodity Credit Corporation, and it also fixed the support level for both basic and nonbasic commodities at 85 percent of parity. Mr. President, the language of the Steagall amendment is this:

SEC. 4. (a) Whenever during the existing emergency the Secretary of Agriculture finds it necessary to encourage the expansion of production of any nonbasic agricultural commodity, he shall make public announcement thereof and he shall so use the funds made available under section 3 of this act or otherwise made available to him for the disposal of agricultural commodities, through a commodity loan, purchase, or other operation, taking into account the total funds available for such purpose for all commodities, so as to support a price for the producers of any such commodity with respect to which such announcement was made of not less than 85 percent of the parity or comparable price therefor. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this section if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities. Any such commodity loan, purchase, or other operation which is undertaken shall be continued until the Secretary has given sufficient public announcement to permit the producers of such commodity to make a readjustment in the production of the commodity. For the purposes of this section, commodities other than cotton, corn, wheat, tobacco, and rice shall be deemed to be nonbasic commodities.

Note well, Mr. President, that this language was confined to the nonbasic commodities; and its purpose was to assure producers of nonbasics, who complied with any production encouragement initiated by the Secretary of Agriculture, that they would not wake up some morning and find themselves with no need for their production; it was assurance to the producers of perishables that should wartime demand suddenly terminate, they would not have to sell on a bottomless market. The incentive of the Steagall amendment was the knowledge that farmers would have assurance that if they did heed the cries of our Government to increase production, they would not find themselves in the same fix the farmers were in at the end of World War I.

If further evidence is required in order for us to discern the true purpose of this legislation, let us turn to the statement of none other than Representative Steagall himself, when he presented his committee's bill to the House of Representatives. Mr. Steagall said:

Congress has enacted labor laws which fix minimum wages for most employees of the Nation. We just recently passed laws which



will permit industrial plants handling defense contracts to amortize their investments for new construction over a shorter period and in that way we have almost guaranteed them a profit on defense contracts. We have given industry the tariff, we fix minimum freight rates, and so forth, so that the income of practically every segment of our population is governmentally protected in one way or the other by law. But we are just now getting around to assuring something nearer reasonable minimum prices and minimum income for farmers.

The indexes of the Bureau of Agricultural Economics on April 30 showed that general farm prices stood at 110 in relation to the so-called base period of 1909-14, but the price of things the farmer buys has increased to a ratio of 129. Thus, even with the increase in farm prices and income, farm prices are still 15 percent below a parity with the prices of things the farmer must buy to carry on his business.

The loan provisions which the Congress has included in the agricultural legislation represent an attempt and promise to give the farmer a guaranty of at least a reasonable minimum return for his crop. Even with loans at 85 percent of parity for the major crops, the farmer is still far behind the parade when it comes to equality of income.

Last year the Congress increased the borrowing power of Commodity Credit Corporation by \$500 million, and I think those who have studied the matter will agree with this power to lend funds on the 1940 crops literally saved cotton, tobacco, and wheat farmers from disaster in the past year. Last summer crops were going to harvest and the world markets, which normally absorb 40 percent or more of our cotton, 50 percent of our flue-cured and dark-fired tobacco, and from 15 to 20 percent of our wheat crop, were almost completely closed. Farmers could not have sold their crops last fall at any reasonable price save for the fact that the Department of Agriculture, through Commodity Credit Corporation, placed a bottom under the markets by making nonrecourse loans available. The wheat and corn and cotton dammed back by lack of exports flowed into the loan and the income of farmers was maintained. Due to the large accumulation of these products in the loan, however, it took nearly all of the borrowing power to meet the needs of the current year.

Mr. Chairman, this bill will simply enable the Commodity Credit Corporation to continue its functions of stabilizing prices on basic crops and will provide the necessary funds to do the job.

Now, Mr. President, let us turn to the first time in our history when the Congress voted mandatory 90-percent-of-parity price supports for the basic commodities. It is important to note that this legislation is not found in a general farm bill, but in the Stabilization Act of 1942. This legislation was an outgrowth of a special message sent to the Congress by President Roosevelt on September 7, 1942. He cited increased living costs and outlined the dangers of runaway inflation. He reviewed the earlier emergency legislation enacted by the Congress to control prices and wages, but he pointed to two gaps in this anti-inflationary dike. They were: Failure of the Congress to tax heavily in order to keep the costs of living from spiraling upward, and the failure of Congress to stabilize the prices received by growers for the products of their lands.

In the autumn of 1941, the concern of our President with respect to agriculture was directed not at assuring our

farmers a fair share of national prosperity, but controlling the contantly increasing prices they were receiving. The President stated that farmers were the beneficiaries of unfair privilege. He pointed out that some farm prices had shot up to 150 percent of parity, and he called for ceilings on farm products, to be placed at or about 100 percent of parity.

At the same time, he called for price floors. This is what he said:

As a part of our general program on farm prices, I recommend that Congress in due time give consideration to the advisability of legislation which would place a floor under prices of farm products, in order to maintain stability in the farm market for a reasonable future time. In other words, we should find a practicable method which will not only enable us to place a reasonable ceiling or maximum price upon farm products but which will enable us also to guarantee to the farmer that he would receive a fair minimum price for his product for 1 year or even 2 years, or whatever period is necessary after the end of the war. Every farmer remembers what happened to his prices after the last war. We can, I am sure, if we act promptly and wisely, stabilize the farmers' economy so that the postwar disaster of 1920 will not overtake him again.

This, Mr. President, the Congress did. It gave the Nation's price stabilizer power to clamp price ceilings on farm prices which exceeded 100 percent of parity to the producer, subject to an "escape clause" with respect to some commodities. At the same time, it voted 90 percent of parity price supports—not as a present price incentive, but as a guaranty that farmers who heeded their Government's cry to produce more food and to produce more fiber, would not find themselves at some future date with an abundance of production and a dearth of markets.

The claim of those who proclaim that 90 percent of parity for the basics was a wartime price stimulus is in error. Ninety percent of parity came into our agricultural picture as the result of two separate and distinct objectives. The first of these was to assure our agriculture a rightful share of increasing national prosperity; the second was to assure the American farmer that should he increase his production, as his Government requested, he would be insured against a repetition of the farm depression of the 1920's.

Mr. President, I shall not delay the Senate by reciting all of the mechanisms by which our Government has come to the aid of business, labor, and other segments of our economy. I presented all these facts to the Senate in 1954, when we debated this very same issue of 90 percent price supports on the basic commodities, as opposed to a flexible price support program. At that time the majority of the Senate voted against 90 percent price supports, and I predicted that within a year or two, when the Benson flexible price support program had fully flexed, our farmers would be faced with distressingly lower incomes. During the extensive field hearings our committee conducted throughout the United States last fall we found ample evidence that my prophecy has been

fulfilled. Everywhere we went, farmers begged for help. They asked us to do something to relieve their situation immediately. Most of them stated that they could not withstand another year of depressive prices similar to those of 1955. Yet, here we are faced today with an administration farm program that not only calls for a continuation of the disastrous farm prices that existed in 1955, but contemplates even lower prices in 1956.

To be frank, Mr. President, I could not in good conscience support the Secretary of Agriculture's farm program and still look the farmers of America straight in the face.

I repeat, there is nothing in Mr. Benson's program that will give the farmers any immediate relief in 1956. The soil bank is a more or less long-range program, which gives hope of ridding ourselves of burdensome surpluses in 2, 3, or perhaps 4 years, but there is no prospect of relief in 1956. On the other hand, the program which the majority of the Committee has recommended, a program calling for 90-percent price supports on the basic commodities, plus inauguration of the soil bank program, will, I believe, afford relief and a possible solution to the problem. It will give our farm economy the shot in the arm that is so urgently needed, and it will give that shot in the arm today, and not at some time in the distant future. It will breathe new life into agriculture at a time when the economic life blood of the farmer is fast ebbing away. Contrary to Mr. Benson's views, 90-percent price supports on the basic commodities would not bring about increased production of those commodities. It would not stimulate production of the basics because, as Mr. Benson well knows, he has in his hands all the tools he needs with which to control production of the the basics. He has already called for acreage allotments during 1956 on all of the basic crops. Irrespective of whether we have 75-percent price supports or 90-percent price supports for the basics in 1956, practically every acre that it allocated to farmers for planting of these crops in 1956 will actually be planted to them. Therefore, when Mr. Benson says that the 90-percent parity support feature of the committee bill would stimulate production, the Secretary is in effect stating either that he is incapable of carrying out the wishes of the Congress in administering this farm program, or that he is unwilling to carry out the wishes of the Congress.

In any event, Mr. President, I say with all sincerity that if the Congress will adopt the program which the Senate Committee on Agriculture and Forestry has recommended—a program embracing both the soil bank provisions and the 90-percent parity support provision—and if the President will sign the bill and let it become law; and if, in addition, he will place the administration of the law in the hands of one who will earnestly and conscientiously try to make the program work, we can once more lead American agriculture back to a prosperous state.



Mr. President at this point in my remarks I ask unanimous consent to have printed in the RECORD excerpts from the report of the committee on the pending bill, which excerpts explain the various sections of the bill. I had intended to do that, but during the course of the debate, we have covered practically every subject, with the exception perhaps of the two-price plan for rice, and I am sure that will be fully discussed later.

Furthermore, I believe several Senators desire to speak at this time. Therefore I yield the floor.

**The PRESIDING OFFICER.** Is there objection to the request of the Senator from Louisiana to have certain excerpts printed in the RECORD?

There being no objection, the excerpts from the report (No. 1434) were ordered to be printed in the RECORD, as follows:

This bill provides for immediate assistance to farmers in the form of increased support prices; reduced production of surplus commodities and increased soil, water, wildlife, and forest conservation through acreage reserve and conservation reserve programs; increased disposal or removal of surplus commodities; needed changes in mar-

keting quota and allotment legislation; a two-price plan for rice; assistance to States for tree planting and reforestation; and price reporting and research on forest products.

#### TITLE 1—PRICE SUPPORT

##### Section 101. Basic commodities except wheat

Section 101 provides for price support for the basic commodities, except wheat, at 90 percent of parity for the 1956 and 1957 crops. This would apply principally to cotton, corn, and peanuts since (1) the provisions contained in title V of the bill, if approved, would supersede this section with respect to rice; and (2) tobacco is required by existing law to be supported at 90 percent of parity whenever marketing quotas are in effect. Cotton, corn, peanuts, and rice are required under existing law to be supported at between 75 and 90 percent of parity. The support prices for rice and corn of the 1956 crop have been announced at \$4.04 per hundredweight for rice (75 percent of parity) and \$1.40 per bushel for corn (81 percent of parity). Price support levels for the 1956 crops of cotton and peanuts have not yet been announced. The minimum support level provided by this section for cotton, rice, corn, and peanuts (on the basis of January 15 data) is shown in the last column of the following table:

TABLE 1.—Support prices on basis of various support levels and various parity prices: Cotton, rice, corn, and peanuts as of Jan. 15, 1956

| Commodity           | Unit               | Effective parity price Jan. 15, 1956 | 75 percent of effective parity | 90 percent of effective parity | Parity price prescribed by sec. 106 of S. 3183 | 90 percent of parity price prescribed by sec. 106 of S. 3183 |
|---------------------|--------------------|--------------------------------------|--------------------------------|--------------------------------|------------------------------------------------|--------------------------------------------------------------|
| (1)                 | (2)                | (3)                                  | (4)                            | (5)                            | (6)                                            | (7)                                                          |
| Cotton, upland..... | Pounds.....        | <sup>1</sup> \$0.3484                | \$0.2631                       | \$0.3136                       | \$0.3522                                       | \$0.3170                                                     |
| Rice.....           | Hundredweight..... | <sup>1</sup> 5.42                    | 4.04                           | 4.88                           | 5.42                                           | 4.88                                                         |
| Corn.....           | Bushels.....       | <sup>2</sup> 1.73                    | 1.30                           | 1.56                           | 1.82                                           | 1.64                                                         |
| Peanuts.....        | Pounds.....        | <sup>2</sup> 1.129                   | .0968                          | .116                           | .136                                           | .122                                                         |

<sup>1</sup> New formula parity price.

<sup>2</sup> Transitional 95 percent of old.

##### Section 102. Wheat

Section 102 provides price support for milling quality wheat at 90 percent of parity and support for other wheat at such levels as will preserve its competitive relationship with corn on the basis of respective feed values, the average support price for all wheat to be not less than 75 percent of parity. Milling quality wheat would be wheat produced in any area from seed of a variety which in such area normally produces wheat of a quality desired for milling purposes. Wheat of the 1956 crop is deemed to be milling quality unless of a variety designated as undesirable by the Secretary of Agriculture prior to the time such wheat is planted. In determining milling quality wheat, the Secretary would consult with a committee on which there will be 3 representatives from each of the principal wheat-producing areas, of whom 1 would be a wheat farmer, 1 a wheat miller, and 1 a person experienced in research on wheat varieties. This section would be applicable only to the 1956 and 1957 crops.

The announced support price for wheat of the 1956 crop is \$1.81 per bushel (76 percent of parity). On the basis of January 15 data and the parity formula provided by section 106, 90 percent of parity would be \$2.26 per bushel.

Under this section, a national average support level representing 90 percent of the parity price for wheat, would be established and, after the adjustments for location, grade, quality, and other factors called for

by section 403 of the Agricultural Act of 1949, this would be applied to milling quality wheat. The support level for other wheat would be established at a price for each county which represents its feed value relationship to corn. The feeding value of wheat to corn (pound for pound) based on USDA Circular No. 836 is 105.

The Department has had some experience in preparing a program of the type contemplated by this section.

On August 12, 1955, it announced that under the 1956 wheat price-support program 23 designated undesirable varieties would be discounted 20 cents per bushel in addition to any other discounts, and that protein premiums would not be applicable to these varieties. Following is a listing of the designated undesirable varieties, by classes and the States in which they are designated:

##### HARD RED WINTER

Purkof: Indiana, Michigan.  
Red Chief: Illinois, Iowa, Missouri, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico.  
Red Jacket: Illinois, Nebraska, Kansas, Oklahoma, Texas, Colorado, New Mexico.  
Kanking: Missouri, Kansas, Oklahoma, Texas, Nebraska.  
Kanqueen: Missouri, Colorado.  
Chiefkan: Nebraska, Kansas, Oklahoma, Texas, Montana, Colorado, New Mexico.  
Stafford: Nebraska, Kansas.  
Early Pawnee (Sel. 33): Kansas.  
Early Blackhull: Kansas, Oklahoma, Texas, Montana, Colorado.

New Chief: Kansas, Oklahoma, Texas, Colorado, New Mexico.  
Yogo: Kansas, Oklahoma, Texas.

##### SOFT RED WINTER

Kawvale: Indiana, Illinois, Missouri, Kansas, Nebraska.

##### HARD RED SPRING

Henry: Michigan, Minnesota, North Dakota, South Dakota, Montana.  
Sturgeon: Wisconsin.  
Progress: Wisconsin.  
Spinkcota: Minnesota, North Dakota, South Dakota.  
Premier: Montana, North Dakota.

##### WHITE

Rex: Idaho, Washington, Oregon.  
Sonora: California.  
Galgalos: Nebraska.

##### DURUM

Golden Ball: Minnesota, North Dakota, South Dakota, Montana.  
Peliss: North Dakota, Montana.  
Pentad: North Dakota.

The August 12 announcement contemplated that a producer certification plan would be used. Each producer applying for price support in States with any of the listed undesirable varieties would be required to certify (1) that the wheat he harvested was not of the undesirable varieties listed for his State, or (2) that the wheat he harvested was from one or more of the undesirable varieties but none of such wheat was being tendered for price support, or (3) that the wheat on which he requested price support contained wheat of an undesirable variety listed for his State and such wheat was identified by variety, and bin number (if farm stored) or warehouse receipt number.

It was estimated that the total 1954 production of the 23 varieties listed as undesirable by the Department in its announcement of August 12, 1955, amounted to 31 million bushels, as compared with the total 1954 crop of 985 million bushels.

##### Section 103. Cottonseed and soybeans

Section 103 provides that whenever the price of either cottonseed or soybeans is supported, the price of the other shall be supported at such level as will cause them to compete on equal terms on the market. The oil and meal produced from cottonseed and soybeans generally compete for the same markets, both in the United States and abroad. The purpose of this provision is to assure that the support levels established for the two commodities will not result in one being withdrawn into Government store, while the other takes over the market.

Support prices for the 1951-56 crops of cottonseed and soybeans were as follows:

TABLE 2

| Crop      | Cottonseed                           |                   | Soybeans                   |                   |
|-----------|--------------------------------------|-------------------|----------------------------|-------------------|
|           | Support price (per ton) <sup>1</sup> | Percent of parity | Support price (per bushel) | Percent of parity |
| 1951..... | \$63.90                              | 90                | \$2.45                     | 90                |
| 1952..... | 66.70                                | 90                | 2.56                       | 90                |
| 1953..... | 54.20                                | 75                | 2.56                       | 90                |
| 1954..... | 54.00                                | 75                | 2.22                       | 80                |
| 1955..... | 46.00                                | 65                | 2.04                       | 70                |
| 1956..... | 48.00                                | 70                | 2.15                       | 75                |

<sup>1</sup> Loan rate basis grade (100).

##### Section 104. Cotton

Section 104 repeals the special provision of law designating Middling  $\frac{3}{8}$ -inch cotton as the standard grade and staple of parity calculations and price support and would result in the average grade and staple being utilized for such purposes as in the case of



other commodities. This change for cotton would aid in establishing more realistic differentials under the support program and would result in slightly lower support prices than would result from using Middling  $\frac{3}{8}$  as the standard grade and staple, since Middling  $\frac{3}{8}$  is below the actual average grade and staple. The amount they would be lower would depend on the particular schedule of premiums and discounts used in the calculations. If the 1955 loan schedule were used, support prices would be 1.36 cents per pound lower if based on average grade and staple than they would be if based on Middling  $\frac{3}{8}$ . The average quality of the cotton produced in 1954 was as follows: Grade 95.4 (Middling white equals 100) and staple lengths 33.2 thirty-seconds of an inch. Through January 15, 1956, the 1955 crop was as follows: Grade 93.4 and staple length 32.6 thirty-seconds.

#### Section 105. Dairy products

Section 105 provides price support for whole milk, butterfat, and the products of such commodities at not less than 80 percent nor more than 90 percent of parity, and provides for using a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive (the period originally used in computing the parity equivalent). On the basis of data now available, this would result in a parity equivalent of 88 percent of the parity price for all milk sold wholesale by farmers, instead of 83.3 percent as now results from using the most recent 10-year period.

The effect of this section on support prices is illustrated by the following tables:

TABLE 3.—Minimum and maximum support prices of manufacturing milk

|                                                            |        |
|------------------------------------------------------------|--------|
| (a) Under present method:                                  |        |
| Parity for all milk per hundred-weight: Jan. 15, 1956..... | \$4.61 |
| Parity equivalent price of manufacturing milk:             |        |
| 83.3 percent of parity for all milk <sup>1</sup> .....     | 3.84   |
| Maximum support 90 percent..                               | 3.46   |
| Minimum support 75 percent..                               | 2.88   |

<sup>1</sup> July 1946–December 1955 average relationship between prices of manufacturing milk and all milk wholesale (revised series).

|                                           |      |
|-------------------------------------------|------|
| (b) Under sec. 105:                       |      |
| Parity for all milk.....                  | 4.61 |
| Parity equivalent of manufacturing milk:  |      |
| 88 percent of all milk <sup>2</sup> ..... | 4.06 |
| Maximum support 90 percent..              | 3.65 |
| Minimum support 80 percent..              | 3.25 |

<sup>2</sup> July 1946–December 1948 average relationship between prices of manufacturing milk and all milk wholesale (revised series).

NOTE.—Present support price of \$3.15 is 80 percent of the parity equivalent price of manufacturing milk as of Apr. 1, 1955, the beginning of the current marketing year, but is 82 percent of the parity equivalent price as of January 1956.

TABLE 4.—Minimum and maximum support prices of butterfat

|                                  |                 |
|----------------------------------|-----------------|
|                                  | Cents per pound |
| (a) Under present method:        |                 |
| Parity price, Jan. 15, 1956..... | 71.9            |
| Maximum support 90 percent..     | 64.7            |
| Minimum support 75 percent..     | 53.9            |
| (b) Under sec. 105:              |                 |
| Parity price, Jan. 15, 1956..... | 71.9            |
| Maximum support 90 percent..     | 64.7            |
| Minimum support 80 percent..     | 57.5            |

NOTE.—Present support price of 56.2 cents per pound is 76 percent of parity as of Apr. 1, 1955, the beginning of the current marketing year, but is 78 percent of the parity price as of January 1956.

The parity equivalents which have been used heretofore and the periods for which they were applicable are set out in the following table:

TABLE 5.—Parity equivalent

| Period:                      | Percent |
|------------------------------|---------|
| January 1949–March 1954..... | 88.5    |
| April–December 1954.....     | 84.1    |
| January–December 1955.....   | 83.7    |
| January–December 1956.....   | 83.3    |

The method currently used in computing and applying the parity equivalent is described as follows:

#### METHOD CURRENTLY USED TO COMPUTE AND APPLY THE PARITY EQUIVALENT FOR MANUFACTURING MILK

Current procedure for computing the parity equivalent for manufacturing milk as approved by the Secretary of Agriculture provides that (1) the parity equivalent for manufacturing milk shall be determined on the basis of the relation of (a) the average price received by farmers for all milk sold at wholesale to plants and dealers for the period July 1946 through the December preceding the date of computation to (b) the average price paid f. o. b. plant by processors for all milk sold by farmers for use in production of American cheese, evaporated milk, and butter and byproducts during the same period; (2) data for each year are to be added annually until 10 full calendar years are included in the comparison; (3) thereafter the parity equivalent during any calendar year will be determined on the basis of the relation between the averages of the respective series for the 10 calendar years immediately preceding.

The factor to be used during a particular calendar year is computed in January of that year using price data available at the date of computation. The factor to be used during 1956 is 83.3 percent, which compares with 83.7 percent, the factor used during 1955. The parity price for all milk wholesale, \$4.61 per hundredweight on January 15, 1956, multiplied by 83.3 percent, results in \$3.84 per hundredweight, the parity equivalent for milk for manufacture for January 15, 1956. This parity equivalent applies to the national average price for all milk of average butterfat content used for the principal manufacturing purposes calculated on

an annual basis. It should be noted that the parity equivalent for milk for manufacturing is not in itself a parity price but is rather an administrative determination of an operating differential which is subject to revision as additional data become available or as experience indicates that the same purpose might better be achieved by calculating and applying revised differentials.

#### Section 106. Parity formula

Section 106 would require the Secretary in the case of the basic commodities to use the old parity price or the modernized parity, whichever is higher. This section also directs the Secretary to make a thorough study of possible methods of improving the parity formula and report thereon within 6 months after enactment of the act.

A brief description of "old," "new," and "transitional" parity prices, and a table illustrating the effect of this section, is set out below:

1. Old parity prices are calculated by multiplying base-period prices by a parity index. In the case of the basic commodities, except tobacco, the base period is August 1909 to July 1914. Hence, the base-period prices for the individual commodities are the average prices received by farmers for those commodities during that period. The parity index is the unrevised index of prices paid by farmers, including interest and taxes.

2. Transitional parity prices are the old parity prices decreased by 5 percent for each calendar year since 1955 in the case of basic commodities and 5 percent for each calendar year since 1949 in the case of nonbasic commodities. For 1956 transitional parity prices are 95 percent of old parity prices for basic commodities and 65 percent of old parity prices for nonbasic commodities.

3. New parity prices are computed in much the same manner as old parity prices, using the parity index based on 1910–14, but the pattern of price relationships among the various commodities that existed in the immediately preceding 10 calendar years is used to determine the pattern of relationships among the parity prices of the individual commodities.

TABLE 6.—New, old, or transitional and effective parity prices for selected basic and nonbasic commodities, Jan. 15, 1956

| Commodity                    | Unit               | New parity price | Old parity price | Transitional parity price <sup>1</sup> | Effective parity price <sup>2</sup> | Parity price prescribed by sec. 106 of S. 3183 |
|------------------------------|--------------------|------------------|------------------|----------------------------------------|-------------------------------------|------------------------------------------------|
| Basic commodities:           |                    |                  |                  |                                        |                                     |                                                |
| Corn.....                    | Bushel.....        | \$1.64           | \$1.82           | \$1.73                                 | \$1.73                              | \$1.82                                         |
| Cotton, American upland..... | Pound.....         | .3484            | .3522            | .3484                                  | .3484                               | .3522                                          |
| Wheat.....                   | Bushel.....        | 2.19             | 2.51             | 2.38                                   | 2.38                                | 2.51                                           |
| Rice.....                    | Hundredweight..... | 5.42             | 5.14             | 5.42                                   | 5.42                                | 5.42                                           |
| Tobacco:                     |                    |                  |                  |                                        |                                     |                                                |
| Flue-cured, types 11–14..... | Pound.....         | .534             | .522             | .534                                   | .534                                | .534                                           |
| Burley, type 31.....         | do.....            | .520             | .506             | .520                                   | .520                                | .520                                           |
| Peanuts.....                 | do.....            | .114             | .136             | .129                                   | .129                                | .136                                           |

<sup>1</sup> Transitional parity is not shown where the new parity price is the effective parity price. Transitional parity price in 1956 was 95 percent of the old parity price.

<sup>2</sup> The effective parity price is the new parity price or the transitional parity price, whichever is higher.

#### TITLE II—SOIL BANK ACT

Title II of the bill provides for a soil-bank program composed of two parts: (1) An acreage reserve program; and (2) a conservation reserve program.

##### ACREAGE RESERVE PROGRAM

Sections 203–206 authorize and direct the Secretary to compensate producers for voluntarily reducing their 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn, rice, flue-cured tobacco, burley tobacco, and cigar-binder tobacco, types 51, 52, 54, and 55, below their acreage allotments. Cotton would include American upland cotton and extra-long-staple cotton. To be eligible for such compensation the producer is required to reduce his acreage of the commodity below his farm acreage allotment within such limits as

the Secretary may prescribe, to specifically designate such acreage, and not to harvest any crop from or graze the reserve acreage unless the Secretary, after certification by the governor of the State, determines that it is necessary to permit grazing to alleviate hardship caused by severe drought, flood, or other natural disaster. It is anticipated by the committee that, beginning with the 1957 crop, the program would require the producer to underplant his acreage. It is recognized that in 1956, particularly in winter wheat areas, unless producers are permitted to adjust acreage already planted, some producers would not be able to participate in the program during 1956. The Secretary is directed to establish a national reserve acreage goal for each of the crops and to establish the limits within which individual farms may



participate in a manner which is reasonably calculated to achieve the national reserve goal, and give producers a fair and equitable opportunity to participate.

Compensation of producers for participating in the acreage reserve program would be made through the issuance of certificates redeemable in cash by Commodity Credit Corporation or in the commodity, at the option of the producer, in the case of certificates issued with respect to grains and cotton. If the certificate is redeemed in the commodity, it is redeemable at not more than 110 percent of the cash value of the certificate, and the grain or cotton delivered in redemption of the certificate is to be valued at 105 percent of the current support price plus reasonable carrying charges or the market price, whichever is higher. If, as of the beginning of any marketing year, the total supply does not exceed the normal supply of the commodity, certificates thereafter issued or certificates then outstanding would no longer be redeemable in the commodity. Certificates redeemed in cash may be redeemed by the producer or by any holder in due course, but certificates redeemed in the commodity may be redeemed only by the producer. Certificates shall not be redeemed in commodities other than the commodity for the reduced production of which the certificate was issued, except that certificates for corn or wheat may be redeemed in any feed grain including wheat for feed on such basis as may be mutually agreed upon between the producer and CCC.

The amount of the compensation to producers for reducing their crops below their acreage allotments would be established by the Secretary at such rates as would provide producers with a fair and reasonable return for the acreage withdrawn from production and with a sufficient incentive to achieve the reserve acreage goal.

The compensation paid any producer for participation in the acreage-reserve program with respect to any crop of tobacco is limited to \$100 per acre.

The total compensation which may be paid producers for participating in the acreage-reserve program with respect to any year's crops is limited to \$750 million, and it is expected that this amount would be allocated among the various crops so as to provide for a fair reduction of acreage for each.

The Secretary is directed to provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis the certificates issued for participating in the program, and including such provision as may be necessary to prevent them from being forced off the farm.

Participation in the acreage reserve program by a producer would not reduce his future acreage allotments and quotas.

#### CONSERVATION RESERVE PROGRAM

Sections 207-214 provide for a conservation reserve program. In carrying out the conservation reserve program, the Secretary would be authorized to enter into long-term contracts under which producers would agree to devote to conserving uses a specifically designated acreage of land on the farm regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage). The Secretary would, however, have discretion in determining the type of land to be designated in connection with particular contracts, and in making such determination he could consider the needs of the various crop-producing regions of the country.

Section 207 sets forth certain matters that are to be covered in such contracts. Under the contract, the producer would be required to establish and maintain the conservation use on the designated acreage; not to reduce the amount of acreage on the farm normally

devoted to conserving uses or allowed to remain idle; not to harvest any crop from the land established in protective cover; not to pasture the acreage prior to January 1, 1959, or such later date as prescribed in the contract except upon a finding by the Secretary, after certification of the governor of the State, of a need for grazing to alleviate hardship caused by flooding, drought, or other natural disaster; not to adopt any practice tending to defeat the purposes of the contract; and to forfeit further payments and refund all payments already received, for violating the contract if the Secretary determines that such violation is of such nature as to warrant termination of the contract, or to accept such adjustments or forfeit price support benefits as the Secretary may deem appropriate if he determines that the producer's violation does not warrant termination of the contract.

The contracts would require the Secretary:

1. To bear such part of the cost (including labor) of establishing and maintaining the protective cover or other authorized use on the designated acreage as he determines to be necessary to effectuate the purposes of the act, not to exceed a maximum for the county or area where the farm was located; and

2. To make an annual payment for the term of the contract to the farmer who fulfills the provisions of the contract. This payment would represent a fair and reasonable return on the land in protective cover or other authorized use, taking into consideration the value of the land for producing commodities customarily grown on such kind of land in the area, the prevailing rates of cash rentals in the area, necessary incentive to obtain contracts, and other appropriate factors.

While the bill contains specific provisions relating to matters to be covered in such contracts, the specific provisions in the bill are not necessarily to be incorporated verbatim in each contract. While it is intended that the contracts contain provisions which give effect to the matters required to be covered, such provisions may be worded so as to give more detailed treatment to such matters or to adapt them to the particular area, type of farming, conserving use, or other matter covered by the contract.

The cost of all direct and significant factors in the establishment of the vegetative cover could be shared. For grasses and legumes these factors would include, but would not be limited to—

1. Land preparation, including summer-fallowing the area and planting a go-down crop in areas where needed;
  2. Seed;
  3. Inoculation;
  4. Seeding;
  5. Liming;
  6. Fertilizing; and
  7. Fencing the seeding area where needed.
- For trees these factors would include, but not be limited to—

1. Land preparation (including summer-fallowing), if needed;
2. Tree seedlings, seed, cuttings, and shrubs;
3. Cultivation following planting (where needed); and
4. Fencing the planted area (where needed).

In a similar way, direct and significant factors of cost could be shared in connection with the establishing and maintaining of water storage facilities and other soil, water, wildlife, or forest conserving uses.

Advertising and bid procedures could be used in determining the lands in any area to be covered by the contracts.

The Secretary could not terminate a contract unless he determined that the nature of the violation was such as to defeat or substantially impair the purposes of the contract. Before termination the Secretary would have to give written notice to the

producer who, if he requested such an opportunity within 30 days after the mailing, or serving of the notice, would have an opportunity to show cause why the contract should not be terminated. A hearing, formal or informal as provided for under regulations issued by the Secretary, would be held to determine whether to terminate the contract. If termination was determined, the producer would receive written notice thereof and would have 90 days after the mailing or service of the notice to appeal to the appropriate United States district court for a de novo determination of the facts in the case and judicial relief with respect thereto. The Secretary's determination on termination would become final and conclusive if the producer failed to avail himself of the opportunity for a hearing within the 30-day period or for appeal to the court within the 90-day period.

A national conservation reserve goal would be proclaimed each year not later than February 1. Such goal would represent that percentage which the Secretary determines would be practicable to cover by contracts during such year of the number of acres by which (1) the acreage needed for the production of agricultural commodities during the preceding year, plus any acreage then in the acreage or conservation reserve program or retired from production because of acreage allotment or marketing quota programs, exceeds (2) the acreage needed during the year for which the determination was made for the production of commodities for domestic and export use and for adequate carryover allowances. The 1956 national goal would be determined as soon as practicable after the enactment of the bill.

In distributing the national goal among States and major crop production regions, due regard is to be given to the need for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate; diversion of acreage under acreage allotment and marketing quota programs; and the need to assume adequate production of agricultural commodities and crops not in surplus and to discourage the production to those in surplus. Other relevant factors could of course be taken into consideration by the Secretary in the distribution of the national goal.

The criteria for determining the national conservation reserve goal, and for distributing the goal among the States and major crop production regions, are intended only as general guides to the Secretary and not as a rigid formula.

The Secretary would annually report to Congress the scope of the program for that year and the basis for participation in such program in the various States and major crop production regions.

Contracts would be entered into during the 5 years 1956 through 1960. The minimum contract period would be 3 years. The maximum contract period would be 10 years except that contracts for tree cover could extend for 15 years.

The Secretary could not enter into contracts calling for payments to producers (including the cost of materials and services furnished to producers) in excess of \$350 million in any calendar year.

Any contract could be terminated by mutual agreement with the producer if the Secretary determined that such termination would be in the public interest. Provision is also made for the modification of contracts previously entered into. In view of the long-term contracts authorized, the Secretary is given broad authority to agree to such modifications, without obtaining technical consideration therefore, as he determines to be desirable either to carry out



the purposes of the act or to facilitate the practical administration of the conservation reserve program.

Authority similar to that in the Soil Conservation and Domestic Allotment Act for programs under that act would be provided to make conservation materials and services available to producers under the conservation reserve program. The Secretary could produce as well as purchase such materials and services under the conservation reserve program. It is likely that the facilities of Forest Service nurseries would be needed to produce some of the tree seedlings needed in carrying out the program. The Secretary would be authorized to reimburse any Federal, State, or local government agency for materials or services furnished by such agency and to pay expenses necessary in making such materials and services available, including costs incident to the delivery, application, or installation of the materials and services.

Authority similar to that in the Soil Conservation and Domestic Allotment Act would be provided to use regular dealers in the furnishing of conservation materials and services and to make payments to such dealers in advance of determination of performance by producers. If the Secretary determined it to be necessary to protect the interests of producers and the Government fair prices for furnishing such materials and services could be established.

The bill would provide that the acreage of cropland on any farm would not be decreased during the term of any contract for the purposes of determining acreage allotments and marketing quotas by reason of the establishment of protective cover or other use of land covered by contract under the conservation reserve program. The acreage of cropland on a farm may directly affect the size of the cotton allotment for the farm and may have a bearing indirectly in the size of the farm acreage allotments for other commodities.

Like wise the acreage determined to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out a contract entered into under the conservation reserve program would be considered to have been devoted to the production of the commodity for the purposes of determining future State, county, and farm acreage allotments.

Many producers would be unwilling to participate in the conservation reserve program without these safeguards to preserve their acreage allotments and marketing quotas.

The Secretary is directed to take adequate safeguards to protect the interests of tenants and sharecroppers, including such provision as may be necessary to prevent them from being forced off the farm.

The conservation reserve program would be applicable to the continental United States, and could be extended, if the Secretary determined it to be in the national interest, to Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

#### PROVISIONS APPLICABLE TO ACREAGE RESERVE AND CONSERVATION RESERVE PROGRAMS

As a condition of eligibility for payment under either the acreage reserve or conservation reserve program the producer must comply with all farm acreage allotments established under the Agricultural Adjustment Act of 1938, except that in the case of wheat the wheat acreage must not exceed the larger of the farm wheat acreage allotment or 15 acres. Noncompliance would be determined only when the producer knowingly exceeded the acreage allotment, or, in the case of wheat, 15 acres, if larger than the allotment.

No acreage diverted from the production of any commodity by reason of participation in either the acreage reserve or conservation reserve program may be reapportioned or allotted to any other farm.

Payment of compensation authorized under the acreage reserve or conservation reserve program could be made upon the basis of the claimant's certification that he had complied with all requirements for such payments. It is intended by this provision to authorize the Secretary to provide for payments prior to the end of a program year and without waiting for a check of compliance. The producer would, of course, be expected to agree to refrain from any action which would result in his not being in compliance at the end of the program year.

The Secretary would be directed to use in administering the programs in the continental United States the community, county, and State committees established under the Soil Conservation and Domestic Allotment Act.

The Secretary would be required to consult with soil conservation districts, State foresters, land-grant colleges and other appropriate State agencies in formulating at the State and county levels the conservation aspects of the programs. He would be required also to utilize, so far as practicable, the technical resources of the Soil Conservation Service, the Forest Service, land-grant colleges, State foresters, and other appropriate technical services to assure coordination of conservation activities and a solid technical foundation for the program.

The Secretary would be directed to utilize as fully as practicable land use capability data in carrying out the acreage reserve and conservation reserve programs; and to carry forward to completion as rapidly as possible the basic land inventory of the Nation (now about one-third completed). However, land use capability work would continue to be financed from funds otherwise made available for such work and not from any funds made available for the acreage reserve and conservation reserve programs.

In financing the acreage reserve and conservation reserve programs, including administrative costs, the Secretary would be authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation. Necessary sums to pay the CCC its actual costs would be authorized to be appropriated.

The Secretary may transfer funds to agencies of the Federal or State Governments who are requested to cooperate or assist in carrying out the programs and for technical as-

sistance in connection therewith. Such payments may be made in advance of the time that the agency renders such assistance.

Determinations by the Secretary of (1) the facts constituting the basis for any payment, and (2) the person entitled to certain payments, would be conclusive, in the same way that similar determinations are made conclusive for other programs by section 385 of the Agricultural Adjustment Act of 1938.

The Secretary would be authorized to deny any producer all or any part of the benefits under the soil bank programs if the Secretary determines that (1) the producer had displaced any tenant or sharecropper, or reduced the acreage of any commodity farmed by any tenant or sharecropper, on any farm owned or controlled by such producer; (2) such displacement or reduction was made in contemplation of, or on account of participation by such producer in either the acreage reserve or conservation reserve program; and (3) such displacement or consent was not consented to by the tenant or sharecropper.

Cost-sharing under the regular agricultural conservation program could also be made available for establishing and maintaining protective vegetative cover and other practices and facilities authorized on lands in the acreage reserve and conservation reserve programs. However, where payment is earned for carrying out any such practice under the conservation reserve program, a duplicate payment for carrying out the same practice will not be made under the agricultural conservation program.

The Secretary would be given broad discretion in the administration of the acreage and conservation reserve programs as to lands to be retired, incentives to be paid, and other matters. This discretion is necessary to the efficient administration of the programs, and its exercise will require consultation with field agencies and others interested in the programs.

#### TITLE III—SURPLUS DISPOSAL

##### Section 301. Authority to add corn to set-aside

Section 301 gives the Secretary discretionary authority to add not to exceed 250 million bushels of corn to the set-aside established pursuant to section 101 of the Agricultural Act of 1954.

The Agricultural Act of 1954 provided for the insulation from commercial markets of up to \$2,500 million worth of commodities held or thereafter acquired from 1954 and prior year's production. The maximum and minimum quantities specified in the law and the actual quantities set aside as of December 31, 1955, are as follows:

TABLE 7

| Commodity                     | Maximum quantity | Minimum quantity | Quantity in set-aside as of Dec. 31, 1955 |
|-------------------------------|------------------|------------------|-------------------------------------------|
| Wheat.....bushels             | 500,000,000      | 400,000,000      | 420,286,393                               |
| Upland cotton.....bales       | 4,000,000        | 3,000,000        | 2,632,456                                 |
| Cottonseed oil.....pounds     | 500,000,000      | -----            | -----                                     |
| Butter.....do                 | 200,000,000      | -----            | -----                                     |
| Nonfat dry milk solids.....do | 300,000,000      | -----            | -----                                     |
| Cheese.....do                 | 150,000,000      | -----            | -----                                     |

The price-support level for corn has been announced for the 1956 crop at 81 percent of parity, or \$1.40 per bushel, based on the indicated supply situation and the January 15, 1956, parity. Had 250 million bushels of corn been included in the set-aside at the time these determinations were made, the change in supply data would have resulted in a support price of 84 percent of parity, or \$1.45.

##### Section 302. Program of orderly liquidation

Section 302 requires the Secretary to submit to Congress within 60 days after the en-

actment of the act a detailed program for the disposition of all stocks of agricultural commodities held by CCC and to report annually thereafter on operations undertaken to dispose of such stocks.

There follows a statement showing the quantity and value of commodities pledged for outstanding CCC loans and commodities in price-support inventory of the CCC as of December 31, 1955, with a comparison in total as of December 31, 1954. (Quantity data shown include the quantities in the set-aside inventory as of the respective dates.)



TABLE 8.—Quantity and value of commodities pledged for outstanding loans and commodities in price-support inventory as of Dec. 31, 1955 and total investment as of Dec. 31, 1954

(All figures in thousands)

| Commodity                                              | Unit of measure | Investment as of Dec. 31, 1955 <sup>1</sup> |           |              |             |           |             | Total investment as of Dec. 31, 1954 <sup>1</sup> |             |
|--------------------------------------------------------|-----------------|---------------------------------------------|-----------|--------------|-------------|-----------|-------------|---------------------------------------------------|-------------|
|                                                        |                 | Pledged for loans                           |           | In inventory |             | Total     |             | Quantity                                          | Value       |
|                                                        |                 | Quantity                                    | Value     | Quantity     | Value       | Quantity  | Value       |                                                   |             |
| Basic commodities:                                     |                 |                                             |           |              |             |           |             |                                                   |             |
| Corn                                                   | Bushels         | 180,159                                     | \$277,579 | 757,612      | \$1,300,323 | 937,771   | \$1,577,902 | 757,756                                           | \$1,237,164 |
| Cotton, extra long staple                              | Bales           | 13                                          | 3,566     | 93           | 33,975      | 106       | 37,541      | 84                                                | 29,519      |
| Cotton, upland                                         | do              | 5,422                                       | 893,034   | 7,921        | 1,437,071   | 13,343    | 2,330,105   | 8,424                                             | 1,428,692   |
| Peanuts, farmers' stock                                | Pounds          | 290,746                                     | 32,856    | 6,033        | 668         | 296,779   | 33,524      | 12,963                                            | 1,351       |
| Rice                                                   | Hundredweight   | 12,115                                      | 64,158    | 15,337       | 175,902     | 27,502    | 240,060     | 15,369                                            | 84,701      |
| Tobacco                                                | Pounds          | 1,053,976                                   | 597,803   | 231          | 92          | 1,054,207 | 597,900     | 725,891                                           | 346,279     |
| Wheat                                                  | Bushels         | 221,241                                     | 455,343   | 888,542      | 2,399,042   | 1,109,783 | 2,854,385   | 1,106,257                                         | 2,756,649   |
| Total basic commodities                                |                 |                                             | 2,324,344 |              | 5,347,073   |           | 7,671,417   |                                                   | 5,884,355   |
| Designated nonbasic commodities:                       |                 |                                             |           |              |             |           |             |                                                   |             |
| Honey                                                  | Pounds          | 986                                         | 105       |              |             | 986       | 105         | 1,725                                             | 218         |
| Milk and butterfat:                                    |                 |                                             |           |              |             |           |             |                                                   |             |
| Butter                                                 | do              |                                             |           | 166,399      | 100,685     | 166,399   | 100,685     | 451,541                                           | 292,678     |
| Butter oil                                             | do              |                                             |           | 23,980       | 20,613      | 23,980    | 20,613      |                                                   |             |
| Cheese                                                 | do              |                                             |           | 333,002      | 131,250     | 333,002   | 131,250     | 437,706                                           | 175,109     |
| Milk, dried                                            | do              |                                             |           | 161,714      | 23,216      | 161,714   | 28,216      | 268,259                                           | 43,642      |
| Whey                                                   | do              |                                             |           | 8,180        | 503         | 8,180     | 503         | 85,122                                            | 3,471       |
| Tung oil                                               | do              |                                             |           | 22,988       | 5,850       | 22,988    | 5,850       | 38,516                                            | 9,459       |
| Wool                                                   | do              |                                             |           | 140,059      | 94,156      | 140,059   | 94,156      | 145,445                                           | 96,657      |
| Total designated nonbasic commodities                  |                 |                                             | 105       |              | 381,273     |           | 381,378     |                                                   | 621,234     |
| Other nonbasic commodities:                            |                 |                                             |           |              |             |           |             |                                                   |             |
| Barley                                                 | Bushels         | 69,152                                      | 61,147    | 31,261       | 43,966      | 100,413   | 105,113     | 94,694                                            | 109,142     |
| Beans, dry edible                                      | Hundredweight   | 2,284                                       | 15,005    | 1,865        | 14,755      | 4,149     | 29,760      | 3,210                                             | 24,870      |
| Cottonseed and products:                               |                 |                                             |           |              |             |           |             |                                                   |             |
| Cotton linters                                         | Pounds          |                                             |           | 495,830      | 47,771      | 495,830   | 47,771      | 663,989                                           | 64,560      |
| Cottonseed                                             | Tons            | (2)                                         | 7         |              |             |           |             | (2)                                               | 2           |
| Cottonseed meal                                        | Pounds          |                                             |           | 53           | 2           | 53        | 2           | 4,773                                             | 71          |
| Cottonseed oil                                         | do              |                                             |           | 17,878       | 2,801       | 17,878    | 2,801       | 604,489                                           | 107,551     |
| Flaxseed                                               | Bushels         | 6,685                                       | 18,925    | 438          | 1,517       | 7,123     | 20,442      | 6,153                                             | 19,649      |
| Grain sorghum                                          | Hundredweight   | 43,483                                      | 75,828    | 26,452       | 77,379      | 69,935    | 153,207     | 51,260                                            | 126,438     |
| Linseed oil                                            | Pounds          |                                             |           | 57,256       | 8,385       | 57,256    | 8,385       | 130,828                                           | 22,306      |
| Naval stores:                                          |                 |                                             |           |              |             |           |             |                                                   |             |
| Rosin                                                  | do              |                                             |           | 280,234      | 21,517      | 280,234   | 21,517      | 348,570                                           | 26,367      |
| Turpentine                                             | Gallons         |                                             |           | 1,846        | 1,059       | 1,846     | 1,059       | 2,873                                             | 1,576       |
| Oats                                                   | Bushels         | 56,237                                      | 34,493    | 35,258       | 29,988      | 91,495    | 64,481      | 84,810                                            | 66,305      |
| Olive oil                                              | Gallons         |                                             |           |              |             |           |             | 365                                               | 934         |
| Rye                                                    | Bushels         | 8,988                                       | 9,595     | 3,306        | 5,390       | 12,294    | 14,985      | 7,579                                             | 10,720      |
| Seeds, hay and pasture                                 | Pounds          |                                             |           | 26,718       | 15,198      | 26,718    | 15,198      | 38,181                                            | 20,273      |
| Seeds, winter cover crop                               | do              |                                             |           |              |             |           |             | 26,753                                            | 3,772       |
| Soybeans                                               | Bushels         | 22,342                                      | 44,680    | 410          | 986         | 22,752    | 45,666      | 23,177                                            | 50,148      |
| Total other nonbasic commodities                       |                 |                                             | 259,680   |              | 270,714     |           | 530,394     |                                                   | 654,684     |
| Exchange commodities: Strategic and critical materials |                 |                                             |           |              |             |           |             |                                                   |             |
|                                                        |                 |                                             |           |              |             | 83,120    | 83,120      |                                                   | 10,952      |
| Total                                                  |                 |                                             | 2,584,129 |              | 6,082,180   |           | 8,666,309   |                                                   | 7,171,225   |

<sup>1</sup> Book value before deduction of reserve for losses.<sup>2</sup> Less than a thousand.**Section 303. Reestablishment of historic share of world cotton market**

Section 303 directs Commodity Credit Corp. to use its existing powers and authorities to reestablish and maintain the fair historical share of the world market for United States cotton. Under this authority the Secretary would be directed to initiate immediately an export program for cotton so that it will move into export channels at competitive world prices. The program developed could provide either for the sale of CCC cotton for export at competitive world prices or for a cash export subsidy on United States cotton sufficient to make it competitive in world markets. The section also provides that cotton made available by CCC under section 102 of the Agricultural Trade Development and Assistance Act of 1954 shall be sold at competitive world prices. Cotton made available is intended to include cotton sold from its stocks by CCC as well as cotton made available for export under the program through CCC financing of exportations from private stocks.

The Department initiated a special cotton export program January 1, 1956, and 723,469 bales were sold during the first 6 weeks of the program. The cotton has been sold at prices averaging about \$45 per bale under the minimum price at which it could have been sold for unrestricted use under section 407 of the Agricultural Act of 1949, as amended.

**Section 304. Extra-long-staple cotton**

Section 304 directs the Secretary of Agriculture to provide sufficient incentive to domestic users of extra-long-staple cotton to assure domestic utilization of a minimum of 30,000 bales of such cotton annually and authorizes appropriations for such purpose.

**Section 305. Section 32 funds supplemented**

Section 305 of the bill authorizes an annual appropriation of \$250 million, free of the existing 25-percent limitation on the expenditure of funds with respect to any one commodity, to enable the Secretary of Agriculture to further carry out the provisions of section 32.

There follows a statement of the section 32 funds available for the fiscal year 1956:

|                                               |               |
|-----------------------------------------------|---------------|
| Carried forward from 1955                     | \$300,000,000 |
| Appropriated (30 percent of customs receipts) | 166,807,174   |
| Total available under sec. 32                 | 466,807,174   |
| Deduct transfer to Interior Department        | —4,322,879    |
| Total available to USDA                       | 462,484,295   |

Section 32 enacted in August 1935, appropriates for each fiscal year an amount equal to 30 percent of the previous calendar year's customs receipts for the purpose of encouraging the domestic consumption and exportation of agricultural commodities. The

Agricultural Act of 1948 provides that up to \$300 million of unused prior year balances remain available for use.

Section 32, as amended (7 U. S. C. 612c), provides that the amount that may be devoted during any fiscal year to any one agricultural commodity or the products thereof shall not exceed 25 percent of the funds available under this section for such fiscal year and also that the funds shall be devoted principally to nonbasic perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended.

Public Law 393, 76th Congress (53 Stat. 1411 and 1412), as amended by Public Law 466, 83d Congress, provides that section 32 funds in an amount equal to 30 percent of customs receipts collected on fishery products shall be transferred to the Secretary of the Interior. Also, Public Law 311 of August 9, 1955 (84th Cong.) authorizes the use of \$15 million to meet commodity program costs in each of the fiscal years 1956 and 1957 for the purchase and donation of wheat flour and cornmeal to needy persons without regard to the requirement relating to the amounts to be devoted to perishables. In addition to these limitations and requirements for section 32 funds, their use is also authorized by section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1392 (b)), for operating expenses and administration of other laws such as the Marketing Agreement Act of 1937.



The use of section 32 funds for program operations varies from year to year, depending upon economic conditions with respect to particular commodities as well as the outlets which may be available for commodities purchased. Based on total funds available under section 32 for fiscal year 1956, the largest amount that can be devoted to commodity program costs for any one commodity or product thereof is \$116,701,793. This would include the direct program costs of purchasing, processing, packaging, transporting, etc. Administrative expenses of the Department in connection with section 32 programs are not included in the calculation of the amount devoted to any one commodity. The largest amount previously devoted to any one commodity was in the fiscal year 1954 when \$87,129,232, or the equivalent of 18.3 percent of total funds available, was used for commodity program costs for the purchase and donation of dairy products.

*Section 306. Transfer of barter materials to supplemental stockpile*

Section 306 provides for the transfer to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 of materials acquired by CCC under the barter program unless such materials were acquired for the national stockpile or were acquired for other purposes, and authorizes appropriations to reimburse CCC for the value of any materials so transferred. This section also provides that strategic materials acquired by CCC as a result of barter may be imported free of duty as in the case of strategic materials imported for the national stockpile. Although it would appear that materials imported by CCC are already exempt under the provisions of 15 United States Code 713a-5, which exempts CCC from all taxation except real estate taxes, it is understood that the Bureau of Customs has raised a question whether this exemption extends to import duties. The present section will make it clear that materials entered by CCC are exempt from duties.

*Section 307. Sales for foreign currency exempted from cargo preference*

Section 307 removes sales for foreign currency under title I of the Agricultural Trade Development and Assistance Act of 1954 from the requirement of the cargo preference statute, Public Law 664, 83d Congress, that at least 50 percent of commodities transported on ocean vessels under certain foreign aid programs and other Government programs shall be transported on privately owned United States-flag vessels.

From the inception of the title I program under Public Law 480 through January 31, 1956, agreements have been entered into with 22 countries providing for the sale of approximately \$517 million worth of commodities at export market value. The cost to the Commodity Credit Corporation of financing these sales will be about \$769 million. Ocean freight costs involved in moving these commodities and financed by the United States will amount to about \$53 million. The export market value of the commodities plus the amount of ocean freight financed, except for differentials absorbed by the United States, is paid by the importing countries in their own currencies.

In applying the cargo preference law to the program, at least 50 percent of each commodity to each country is required to be moved on United States-flag vessels, if available. Also, at least 50 percent of shipments in each of the categories, liner, tramp, and tanker are required to move on United States-flag vessels, if available. Compliance with these requirements is assured through prior approval by the Department of all vessel charters and liner bookings.

The Commodity Credit Corporation finances ocean transportation costs on United States vessels when such vessels are required

to be used in order to assure compliance with the provisions of the Cargo Preference Act. The amount by which freight costs on such vessels exceed the prevailing rate on foreign flag vessels is absorbed by the United States. Ocean transportation costs on United States vessels over and above that necessary to comply with the provisions of the Cargo Preference Act and on third country vessels is financed only to the extent that the importing country is unable to pay such costs. Transportation costs on vessels of the importing country are not financed under the program.

Approximately 53 percent of the total tonnage was approved for shipment on United States-flag vessels. Tramp tonnage was about 81 percent of the total, liner tonnage about 18 percent, and tanker tonnage about 1 percent. The 18 percent liner tonnage breaks down, 13 percent United States flag and 5 percent foreign flag. Tramp tonnage divided about 40 percent United States and 41 percent foreign, the 1 percent in favor of foreign tramps being the result of the shortage of United States-flag tramps to carry wheat to Yugoslavia during February of 1955. Since that time no appreciable difficulty has been experienced in the chartering of sufficient United States-flag vessels.

Your committee is firmly convinced that the maintenance of our merchant marine fleet is essential to national welfare and security. However, such governmental support as is necessary for maintenance should be directly provided and should not be at the expense of the farm program. The word "expense" is used in this connection to connote not so much monetary expense as the expense of curtailed dispositions of surpluses under the program and hampered efforts to obtain the liberalization of restrictions against the commercial importation of United States agricultural products into maritime nations.

The Department reported favorably on S. 2584, a bill to exempt the title I program from cargo preference, for the following reasons:

First, we have lost opportunities to move commodities to a number of countries. Only one country, Denmark, has definitely rejected the possibility of negotiating a title I program because of cargo preference. Difficulties in securing acceptance of cargo preference by three other maritime nations have delayed negotiations for extended periods. These negotiations have not been terminated, however, and efforts are being continued to overcome this resistance. It is impossible to estimate with any degree of accuracy the value of commodity movement lost because of this problem.

Second, the cargo-preference requirement has resulted in added cost to the farm program. It is necessary to provide dollar financing of ocean freight charges on United States-flag vessels required to be used. Total freight approved for financing during 1955 was about \$31 million. About \$12 million of this was on United States vessels required to be used in programs with maritime nations which carried all or substantially all of the non-United States-flag tonnage in their own vessels. In the absence of the United States-flag requirement these countries could be expected to participate in the program without any financing of ocean freight by the United States.

In addition to financing the freight charges on United States-flag vessels required to be used, it is necessary for the United States to absorb the differential resulting from use of such vessels where shipment would be cheaper on foreign-flag vessels. On vessels approved during 1955 differentials amounting to about \$3 million will have been paid by CCC. This amount will not be covered by foreign-currency payments of the importing countries.

Third, the cargo-preference requirement is hampering efforts to obtain trade liberaliza-

tion on agricultural commodities. Many importing countries discriminate against imports of United States commodities through quotas, exchange controls, and other restrictions. The Department of Agriculture is making a determined effort to obtain liberalization of such restrictions as part of its overall program to expand exports of United States farm commodities. Obviously, it is difficult for the United States to argue for the lifting of restrictions while imposing restrictions of its own. Maritime nations argue that the freedom of their merchant fleets to compete in the world market is as important to them as the freedom of our farmers to compete in the world market is to us.

*Section 308. Surplus Disposal Administrator*

Section 308 authorizes the Secretary of Agriculture to appoint an Agricultural Surplus Disposal Administrator at a salary rate of not exceeding \$15,000 per annum. This authority is needed in order to secure the best qualified person available. Under present legislation, Department final authority to determine compensation for this position is limited to GS-15, with a base rate of \$11,610. The possibilities of having the position established in GS-18 (\$14,800) through Civil Service Commission channels are quite remote under present numerical restrictions of the Classification Act.

*Section 309. State contribution in disaster relief*

Section 309 of the bill provides that after March 1, 1957, the States must contribute at least 15 percent of the cost of feed or seed made available for disaster relief.

During the fiscal year 1955 there were two programs of this nature in effect. Under the 1955 emergency-feed program, eligible farmers received purchase orders enabling them to buy from established dealers at reduced prices, certain designated surplus feed grains, such as barley, corn, wheat, grain sorghums, and oats, or approved mixed feed, containing a high percentage of the surplus feed grains. Dealers received a certificate representing the value of the reduction in the price of the feed and used it to buy replacement stocks which eventually came from CCC inventories. The cost of this program to the Government during the fiscal year 1955, represented by the value of CCC inventories released in satisfaction of dealer's certificates was approximately \$61,200,000. Had the States been required to contribute 15 percent of the cost of this program during the fiscal year 1955 their contribution would have amounted to \$9,180,000. The emergency-feed program was operative as of January 31, 1956, in Colorado, Kansas, Nevada, North Carolina, Oregon, Texas, Utah, and Wyoming.

A second program conducted during the fiscal year involved the execution of agreements with States to assist them in furnishing hay to eligible farmers. Under these agreements the Department contributed a definite sum to the State to defray one-half the cost of transportation of the hay (not to exceed \$10 per ton). The total of such contributions during the fiscal year 1955 was \$4,684,839. Since the States assumed at least half of the transportation costs for hay, as well as the costs incident to the purchase and distribution of such hay, they would not have to make any additional contributions in a program such as this. North Carolina is the only State with which the Department has a hay agreement at the present time.

**TITLE IV—MARKETING QUOTAS AND ACREAGE ALLOTMENTS**

*Section 401. Extension of surrender and reapportionment*

Section 401 extends to the 1956 and 1957 crops of wheat the provisions of section 334 (f) of the Agricultural Adjustment Act of



1938, as amended, whereby wheat producers who do not plant all their wheat allotments can release the unused portion of the allotment. The amount released would be deducted from the allotment for the farm from which released and would be reapportioned by the county committee to other farms in the same county. If not needed in the county, the county committee could surrender the acreage to the State committee for the purposes of establishing new farm allotments. In establishing future allotments, acreages so released and reapportioned are credited to the releasing farms rather than to the farms to which surrendered. Provision for permanent release of allotments is made.

Since release and reapportionment to be effective must be accomplished prior to planting time, extension of the provision to cover the 1956 crop would be applicable only in areas where spring wheat is grown and not in areas where only winter wheat can be grown.

#### Section 402. Commercial wheat producing area

Section 402 would amend the provision in the Agricultural Adjustment Act of 1938 for determining the noncommercial wheat-producing area. Under present law any State may be excluded from the commercial wheat-producing area for any year if its State allotment for such year is determined to be 25,000 acres or less. As amended, the Secretary would be required to exclude any State from the commercial area for any year if the State allotment for the immediately preceding year is determined to be 240,000 acres or less. By basing the determination on the size of the allotment for the preceding year and making the action of the Secretary mandatory, States will be able to know well in advance whether they will be in the commercial area.

The States which would be included in the noncommercial wheat area under the proposal to include all States with 240,000 acres or less in the State wheat allotment, based on 1956 State wheat allotments, are as follows:

(a) 12 States included on the basis of the present "25,000 acres or less" provision:

|                    | Acre   |
|--------------------|--------|
| Alabama.....       | 14,505 |
| Arizona.....       | 17,533 |
| Connecticut.....   | 626    |
| Florida.....       | 1,329  |
| Louisiana.....     | 3,184  |
| Maine.....         | 1,347  |
| Massachusetts..... | 687    |
| Mississippi.....   | 21,143 |
| Nevada.....        | 11,616 |
| New Hampshire..... | 71     |
| Rhode Island.....  | 603    |
| Vermont.....       | 432    |
| Total.....         | 73,076 |

(b) 11 additional States which would become noncommercial under the proposed "240,000 acres or less" provision:

|                     | Acre      |
|---------------------|-----------|
| Arkansas.....       | 47,433    |
| Delaware.....       | 36,370    |
| Georgia.....        | 105,624   |
| Iowa.....           | 139,443   |
| Kentucky.....       | 219,495   |
| Maryland.....       | 187,546   |
| New Jersey.....     | 55,141    |
| South Carolina..... | 133,488   |
| Tennessee.....      | 199,261   |
| West Virginia.....  | 42,956    |
| Wisconsin.....      | 45,174    |
| Total.....          | 1,211,931 |

The total 1956 allotment acreage involved in the proposed "240,000 acres or less" provision is 1,285,007 or 2.2 percent of the national allotment of 55 million acres. There

follows a statement of the acreage allotments for the 36 States included in the commercial area under the "25,000 acres or less" provision:

|                               | 1956 allotment | Acre       |
|-------------------------------|----------------|------------|
| Arkansas.....                 | -----          | 47,433     |
| California.....               | -----          | 455,719    |
| Colorado.....                 | -----          | 2,702,237  |
| Delaware.....                 | -----          | 36,370     |
| Georgia.....                  | -----          | 105,624    |
| Idaho.....                    | -----          | 1,159,816  |
| Illinois.....                 | -----          | 1,384,461  |
| Indiana.....                  | -----          | 1,166,484  |
| Iowa.....                     | -----          | 139,443    |
| Kansas.....                   | -----          | 10,587,206 |
| Kentucky.....                 | -----          | 219,495    |
| Maryland.....                 | -----          | 187,546    |
| Michigan.....                 | -----          | 969,478    |
| Minnesota.....                | -----          | 726,503    |
| Missouri.....                 | -----          | 1,163,686  |
| Montana.....                  | -----          | 4,002,138  |
| Nebraska.....                 | -----          | 3,200,332  |
| New Jersey.....               | -----          | 55,141     |
| New Mexico.....               | -----          | 465,924    |
| New York.....                 | -----          | 312,175    |
| North Carolina.....           | -----          | 283,395    |
| North Dakota.....             | -----          | 7,321,263  |
| Ohio.....                     | -----          | 1,594,233  |
| Oklahoma.....                 | -----          | 4,860,057  |
| Oregon.....                   | -----          | 819,522    |
| Pennsylvania.....             | -----          | 620,185    |
| South Carolina.....           | -----          | 133,488    |
| South Dakota.....             | -----          | 2,749,275  |
| Tennessee.....                | -----          | 199,261    |
| Texas.....                    | -----          | 4,227,136  |
| Utah.....                     | -----          | 314,994    |
| Virginia.....                 | -----          | 261,043    |
| Washington.....               | -----          | 2,009,033  |
| West Virginia.....            | -----          | 42,956     |
| Wisconsin.....                | -----          | 45,174     |
| Wyoming.....                  | -----          | 303,725    |
| Total commercial area.....    | -----          | 54,871,924 |
| Total noncommercial area..... | -----          | 73,076     |
| National reserve.....         | -----          | 55,000     |
| Grand total.....              | -----          | 55,000,000 |

#### Section 403. Small farm allotments for cotton

Section 403 would amend section 344 of the Agricultural Adjustment Act of 1938, as amended, to provide for reserving not to exceed 1 percent of the national acreage allotment to assist in establishing minimum farm allotments. The State committee would be required to reserve as much as 3 percent of the State allotment, if needed, to supplement the acreage allocated to the State from the national reserve. Under existing law, the county allotment is used first to establish minimum farm allotments at the smaller of 5 acres of the highest acreage planted on the farm in the preceding 3 years, in all counties where farm allotments are established on the "cropland factor" basis and in other counties where allotments are established on the "historical" basis and the county committee elects to establish such minimum farm allotments. The proposed amendments to section 344 of the act would change the fixed acreage portion of the minimum allotment provision from 5 acres to 4 acres and would require minimum farm allotments to be established in all counties regardless of the allotment basis used. The Secretary would determine, on the basis of data available in connection with past allotment programs and such surveys as he deems necessary to obtain additional data on which to base estimates, the additional acreage which would be required to establish minimum farm allotments (assuming that allotments were first made on a cropland or history basis). The acreage so determined would be used as a basis for allocating the national acreage reserve to States and for allocating such reserve, as well as acreage from the State reserve for minimum allotments, to counties.

The national acreage allotment announced for the 1956 cotton crop is 17,391,304 acres. One percent of this total would be 173,913 acres.

#### Section 404. Minimum State acreage allotments for 1956 rice crop

Section 404 would amend section 353 of the Agricultural Adjustment Act of 1938, as amended, to provide minimum State rice acreage allotments for 1956 equal to 85 percent of the final allotment established for 1955. Any acreage apportioned to farms in the State from the national reserve acreage would be included in determining the minimum allotment. The final allotment for 1955 would include the State allotment originally determined plus the increased acreages allotted in the State through legislation enacted after State allotments were originally determined.

In States having county allotments the increase in State allotments would be apportioned among counties on the same basis as the State allotment had theretofore been apportioned among counties, but without regard to adjustments for trends in acreage.

The additional acreage apportioned to each State by this section is shown in the last column of the following table:

TABLE 9.—Rice: Additional allotment acreage that would be apportioned to State under Sec. 404 of S. 3183

| State                    | Total rice acreage apportioned to State for 1955 | 85 percent of total rice acreage apportioned to State for 1955 | Total rice acreage apportioned to State for 1956 | Additional acreage required for 1956 to provide allotment equal to 85 percent of final allotment for 1955 |
|--------------------------|--------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Arkansas.....            | 453,850                                          | 385,772                                                        | 399,084                                          | 0                                                                                                         |
| California.....          | 352,729                                          | 299,820                                                        | 297,174                                          | 2,646                                                                                                     |
| Louisiana.....           | 558,934                                          | 475,094                                                        | 465,773                                          | 9,321                                                                                                     |
| Texas.....               | 496,929                                          | 422,390                                                        | 421,360                                          | 1,030                                                                                                     |
| Mississippi.....         | 54,921                                           | 46,683                                                         | 46,267                                           | 416                                                                                                       |
| Arizona.....             | 269                                              | 229                                                            | 227                                              | 2                                                                                                         |
| Florida.....             | 1,126                                            | 957                                                            | 949                                              | 8                                                                                                         |
| Illinois.....            | 24                                               | 20                                                             | 20                                               | 0                                                                                                         |
| Missouri.....            | 5,388                                            | 4,580                                                          | 4,557                                            | 23                                                                                                        |
| North Carolina.....      | 34                                               | 29                                                             | 29                                               | 0                                                                                                         |
| Oklahoma.....            | 175                                              | 149                                                            | 147                                              | 2                                                                                                         |
| South Carolina.....      | 3,350                                            | 2,847                                                          | 2,783                                            | 64                                                                                                        |
| Tennessee.....           | 605                                              | 514                                                            | 517                                              | 0                                                                                                         |
| United States total..... | 1,928,334                                        | 1,639,084                                                      | 1,638,887                                        | 13,512                                                                                                    |

#### Section 405. Preservation of unused acreage allotments

Section 405 would provide that with respect to the 1956 and subsequent crops of any commodity for which acreage allotments under the Agricultural Adjustment Act of 1938, as amended, were in effect, the entire acreage allotment for the farm would be considered for purposes of future farm acreage allotments as having been planted to the commodity in such year if the owner or operator of the farm notified the county committee prior to the 60th day preceding the beginning of the marketing year of his desire to preserve the farm acreage allotment of the commodity. This provision would not be applicable to any farm on which no acreage of the commodity was planted for 4 successive years or in any case in which the amount of the commodity of any previous crop stored to postpone or avoid payment of penalty had been reduced because the allotment was not fully planted. No other farm would be permitted to use the acreage of which notice was given under the section.

#### TITLE V—RICE

##### Section 501. Two-price plan for rice

Section 501 provides that the national acreage allotment of rice for 1957 shall not



be less than the national acreage allotment for 1956, including any acreage allotted under section 404 of the bill. The 1957 allotment will be apportioned among the States

in the same proportion as in 1956. The effect of this provision on 1957 State acreage allotments is shown in the last two columns of the following table.

TABLE 10.—Rice: Indicated 1957 State acreage allotments under S. 3183 as compared with indicated 1957 State allotments under the present law and 1956 State allotments now in effect

| State                     | 1956 State acreage allotment | Additional acreage apportioned to State from 1956 national reserve | Total acreage apportioned to State for 1956 | Total acreage apportioned to State for 1956, adjusted for increase under sec. 404 of S. 3183 | Indicated 1957 State allotment under present law <sup>1</sup> | Indicated 1957 State allotment under S. 3183 |
|---------------------------|------------------------------|--------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|
| Arkansas.....             | 399,084                      | 0                                                                  | 399,084                                     | 399,084                                                                                      | 402,852                                                       | 399,084                                      |
| California.....           | 297,100                      | 74                                                                 | 297,174                                     | 299,820                                                                                      | 296,691                                                       | 299,820                                      |
| Louisiana.....            | 460,704                      | 5,069                                                              | 465,773                                     | 475,094                                                                                      | 463,416                                                       | 475,094                                      |
| Texas.....                | 421,360                      | 0                                                                  | 421,360                                     | 422,390                                                                                      | 419,479                                                       | 422,390                                      |
| Mississippi.....          | 41,422                       | 4,845                                                              | 46,267                                      | 46,683                                                                                       | 42,555                                                        | 46,683                                       |
| Arizona.....              | 10                           | 217                                                                | 227                                         | 229                                                                                          |                                                               | 229                                          |
| Florida.....              | 887                          | 62                                                                 | 949                                         | 957                                                                                          | 888                                                           | 957                                          |
| Illinois.....             | 11                           | 9                                                                  | 20                                          | 20                                                                                           | 14                                                            | 20                                           |
| Missouri.....             | 3,673                        | 884                                                                | 4,557                                       | 4,580                                                                                        | 4,005                                                         | 4,580                                        |
| North Carolina.....       | 27                           | 2                                                                  | 29                                          | 29                                                                                           | 23                                                            | 29                                           |
| Oklahoma.....             | 38                           | 109                                                                | 147                                         | 149                                                                                          | 63                                                            | 149                                          |
| South Carolina.....       | 1,958                        | 825                                                                | 2,783                                       | 2,847                                                                                        | 2,040                                                         | 2,847                                        |
| Tennessee.....            | 517                          | 0                                                                  | 517                                         | 517                                                                                          | 502                                                           | 517                                          |
| Total, United States..... | 1,626,791                    | 12,096                                                             | 1,638,887                                   | 1,652,399                                                                                    | 1,632,528                                                     | 1,652,399                                    |
| National reserve.....     | 12,293                       | (197)                                                              | (197)                                       | (197)                                                                                        | 26,556                                                        | (197)                                        |
| National allotment.....   | 1,639,084                    | 12,293                                                             | 1,639,084                                   | 1,652,596                                                                                    | 1,639,084                                                     | 1,652,596                                    |

<sup>1</sup> Assuming the national acreage allotment to be the same as in effect for 1956 and the 1956 planted and diverted acreage of rice to be the same as determined for 1955.

<sup>2</sup> To be apportioned among the minor rice-producing States receiving inadequate State or county allotments such as Mississippi, Missouri, South Carolina, etc.

#### Two-price plan

Section 501 also provides for a 2-price plan for rice of the 1956 and 1957 crops. A primary market quota for rice is to be determined and proclaimed by the Secretary of Agriculture for each marketing year. This primary market quota is to be determined on the basis of the quantity of processed rice (expressed in terms of hundredweights of rough rice) which the Secretary determines will be consumed in the United States (including its Territories and possessions and the Commonwealth of Puerto Rico) or exported to Cuba during the marketing year, taking into consideration the historical consumption of United States rice in these markets and any expected increase in consumption. In determining the primary quota, rough rice used for feed or seed would be excluded, since it is not intended that the primary quota would include rice which is not milled. For 1956, the primary market quota is to be apportioned among the States on the basis of the 1955 production of rice in each State. For 1957, the primary market quota is to be apportioned among the States on the basis of the average yield per acre of rice in each State during 1955 and 1956, multiplied by the acreage allotment for the State. Each State quota is to be apportioned among farms in the State on the basis of the acreage allotment established for each farm, multiplied by the normal yield per acre for the farm. The estimated 1956 primary market quota and its apportionment among the States is shown in the following tables:

TABLE 11.—United States milled rice consumed in primary markets (on rough-rice basis)

| (Thousand 100-pound bags)  |        |          |                |                 |                      |
|----------------------------|--------|----------|----------------|-----------------|----------------------|
| Marketing year             | Food   | Industry | Total consumed | Exports to Cuba | Total primary market |
| 1950-51.....               | 18,252 | 4,866    | 23,118         | 10,066          | 33,184               |
| 1951-52.....               | 16,756 | 4,750    | 21,506         | 7,131           | 28,637               |
| 1952-53.....               | 17,750 | 4,577    | 22,327         | 7,039           | 29,366               |
| 1953-54.....               | 17,950 | 4,560    | 22,510         | 6,850           | 29,360               |
| 1954-55.....               | 18,000 | 5,700    | 23,700         | 4,914           | 28,614               |
| 1955-56 <sup>1</sup> ..... | 18,500 | 5,500    | 24,000         | 4,748           | 28,748               |
| 1956-57 <sup>2</sup> ..... | 18,500 | 5,700    | 24,200         | 4,750           | 28,950               |

<sup>1</sup> Preliminary.

<sup>2</sup> Estimated.

TABLE 12.—Rice: Apportionment of the estimated 1956 primary market quota among the several States

| (100-pound bags)         |                              |                          |
|--------------------------|------------------------------|--------------------------|
| State                    | 1955 production <sup>1</sup> | 1956 State primary quota |
| Arkansas.....            | 12,694,000                   | 6,854,007                |
| California.....          | 11,694,000                   | 6,039,777                |
| Louisiana.....           | 13,150,000                   | 7,100,220                |
| Texas.....               | 14,880,000                   | 8,034,318                |
| Mississippi.....         | 1,510,000                    | 815,310                  |
| Arizona.....             |                              |                          |
| Florida.....             | 16,750                       | 9,044                    |
| Illinois.....            | 550                          | 297                      |
| Missouri.....            | 120,350                      | 64,982                   |
| North Carolina.....      | 350                          | 189                      |
| Oklahoma.....            | 3,900                        | 2,106                    |
| South Carolina.....      | 43,400                       | 23,433                   |
| Tennessee.....           | 11,700                       | 6,317                    |
| United States total..... | 53,617,000                   | 28,950,000               |

<sup>1</sup> Production for the 5 major rice-producing States are official estimates of the Department of Agriculture while production for the 7 minor States was determined by multiplying the 1955 measured acreage in each such State by the 1955 State average yield per acre as reported by the Southern Rice Millers Association.

Price support will be made available by Commodity Credit Corporation to cooperators through loans, purchases, or other operations on the 1956 crop of rice at 55 percent of the parity price of rice as of the beginning of the marketing year. On the 1957 crop, the level of support is to be at such level as the Secretary of Agriculture determines will not discourage or prevent exportation of rice produced in the United States, but such level is not to be less than 50 percent nor more than 90 percent of the parity price.

Certificates will be issued by the Secretary of Agriculture to cooperators each marketing year for farms having primary market quotas. Such certificates will be issued for a quantity of rice equal to the primary market quota for the farm but not more than the normal yield for the acreage planted to rice on the farm. The value of each certificate will be equal to the difference between 90 percent of the parity price of rice as of the beginning of the marketing year and the level of price support for rice for such marketing year (to be calculated to the nearest cent) multiplied by

the quantity of rice for which the certificate is issued. The landlord and his tenants or sharecroppers will share in the certificates in the same proportion as they share in the rice produced on the farm or the proceeds therefrom. Commodity Credit Corporation will redeem at its value any certificate not used to cover the processing or importation of rice.

Assuming the parity price of rice on August 1, 1956 (the beginning of the 1956-57 marketing year), to be the same as the January 15, 1956, parity price of \$5.42 per hundredweight, the unit value of the certificate for 1956 crop rice would be computed as the difference between \$2.98 per hundredweight (55 percent of parity), and \$4.88 per hundredweight (90 percent of parity), or \$1.90 per hundredweight.

Beginning August 1, 1956, each person processing rough rice in the United States (excluding Puerto Rican or Hawaiian rice processed in Puerto Rico or Hawaii) will be required to acquire certificates in an amount sufficient to cover the quantity of rough rice processed. Each person importing processed rice into the United States on or after August 1, 1956, will also be required to acquire certificates covering the rough rice equivalent of such processed rice. Such certificates may be acquired from producers by the processor or importer, or he may purchase certificates from Commodity Credit Corporation. Upon the exportation to any country other than Cuba of processed rice with respect to which certificates were acquired, Commodity Credit Corporation will pay the exporter an amount equal to the value of the certificates for the rough rice equivalent of the processed rice.

The provisions of this section will not be applicable to nonirrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed 3 acres or to rice grown in Puerto Rico or Hawaii.

#### Inventory adjustment payments

In order to facilitate the transition to the two-price plan, inventory adjustment payments will be made to all persons owning rough rice located in the continental United States as of July 31, 1956, except that payments will not be made with respect to 1956-crop rice, imported rice, or rice acquired from Commodity Credit Corporation. Such payments will be in amounts equal to 35 percent (the difference between 90 and 55 percent) of the parity price of rice as of August 1, 1956, multiplied by the quantities of such rough rice. An appropriation to reimburse Commodity Credit Corporation for such payments is authorized.

#### Transfer of rice to the set-aside

The Secretary is given discretionary authority to transfer to the commodity set-aside, established pursuant to section 101 of the Agricultural Act of 1954, all rough and processed rice in the inventories of Commodity Credit Corporation as of 60 days after the beginning of the 1956 marketing year for rice, not exceeding 20 million hundredweight of rough rice or its equivalent in processed rice.

The proportion of United States rice used for domestic consumption and export is shown by the following table:

TABLE 13.—Rice: Percentage, domestic consumption and exports (in rough rice equivalent) is of total production during the marketing years 1939-40 through 1955-56

| Marketing year | Production <sup>1</sup> | Domestic consumption |                       | Exports |                       |
|----------------|-------------------------|----------------------|-----------------------|---------|-----------------------|
|                |                         | Total                | Percent of production | Total   | Percent of production |
| (1)            | (2)                     | (3)                  | (4)                   | (5)     | (6)                   |
| 1939-40.....   | 24,328                  | 20,046               | 82.4                  | 4,484   | 18.4                  |
| 1940-41.....   | 24,495                  | 21,138               | 86.3                  | 5,651   | 23.1                  |
| 1941-42.....   | 23,095                  | 19,571               | 84.7                  | 6,552   | 28.4                  |

Footnotes at end of table.



TABLE 13.—Rice—Continued

| Marketing year             | Production <sup>1</sup> | Domestic consumption |                       | Exports |                       |
|----------------------------|-------------------------|----------------------|-----------------------|---------|-----------------------|
|                            |                         | Total                | Percent of production | Total   | Percent of production |
| (1)                        | (2)                     | (3)                  | (4)                   | (5)     | (6)                   |
| 1942-43.....               | 29,082                  | 20,266               | 69.7                  | 6,961   | 23.9                  |
| 1943-44.....               | 29,264                  | 21,316               | 72.8                  | 7,069   | 24.2                  |
| 1944-45.....               | 30,974                  | 20,001               | 64.6                  | 10,201  | 32.9                  |
| 1945-46.....               | 30,668                  | 19,613               | 64.0                  | 11,469  | 37.4                  |
| 1946-47.....               | 32,497                  | 20,162               | 62.0                  | 12,291  | 37.8                  |
| 1947-48.....               | 35,217                  | 22,037               | 62.6                  | 13,055  | 37.1                  |
| 1948-49.....               | 38,275                  | 22,092               | 57.7                  | 14,378  | 37.6                  |
| 1949-50.....               | 40,784                  | 23,423               | 57.4                  | 16,224  | 39.8                  |
| 1950-51.....               | 38,757                  | 25,693               | 66.3                  | 13,167  | 34.0                  |
| 1951-52.....               | 45,853                  | 24,121               | 52.6                  | 24,058  | 52.5                  |
| 1952-53.....               | 48,260                  | 25,121               | 52.1                  | 25,122  | 52.1                  |
| 1953-54.....               | 52,761                  | 25,764               | 48.8                  | 22,708  | 43.0                  |
| 1954-55.....               | 64,414                  | 27,839               | 43.2                  | 14,385  | 22.3                  |
| 1955-56 <sup>2</sup> ..... | 53,617                  | 27,917               | 52.1                  | 23,000  | 42.9                  |

<sup>1</sup> Production for the marketing years 1949-50 through 1955-56 includes estimated production in the minor rice-producing States.

<sup>2</sup> Preliminary.

#### TITLE VI—FORESTRY PROVISIONS

##### Tree planting and reforestation

Section 601 provides for assistance to States for tree planting and reforestation. The objective of this section is to step up nationwide the present rate of reforestation on all land in need of such planting irrespective of ownership. This would be accomplished through a cooperative plan of action between the individual States and the Secretary of Agriculture. The plan would originate in the States through the State foresters or equivalent State officials and after approval by the Secretary would be put into effect by a State agency. The major provisions of this section would:

1. Establish a policy of Congress that the Secretary of Agriculture should assist the States in undertaking needed programs of tree planting.

2. Permit a State to draw up a plan of reforestation that would further this purpose and submit such plan to the Secretary of Agriculture for his consideration and approval.

3. When the Secretary has approved the plan, authorize and direct him to assist the State in carrying out the plan which assistance may include furnishing advice, technical assistance and financial contributions up to an amount equal to the State expenditure for the same purpose during the same fiscal year.

4. Require the Secretary to obtain cooperation and assistance of other Federal agencies and the appropriate State foresters in the approval and carrying out of the plan when it includes forest lands under such other Federal agencies' jurisdiction.

The committee believes that more money should be made available for tree planting and recommends that the Appropriations Committees consider providing \$50 million to carry out the provisions of this section.

##### Forest products

Section 602 provides for price reporting and research with respect to forest products.

this section would direct the Secretary to: (1) establish a price reporting service for basic forest products such as standing timber, sawlogs, and pulpwood; (2) conduct and stimulate research aimed at developing the efficiency of marketing forest products; and (3) study price trends and relationships for basic forest products and within 2 years report thereon to the Congress.

#### TAX DELINQUENCIES

Mr. WILLIAMS. Mr. President, on June 2, 1955, I incorporated in the CONGRESSIONAL RECORD a report furnished by the Treasury Department showing the total tax delinquencies as of December 31, 1954, in the amount of \$1,614,494,280.

At the same time I incorporated in the RECORD a statistical breakdown by districts, amount and type of tax, and the number of accounts involved in each instance.

This was the first inventory which had ever been assembled providing such information, and it had been compiled upon my request on the basis that such information should be assembled annually in order that the Treasury Department and the country would know the extent of these outstanding obligations, as well as the progress being made toward their collection. It would also help the Department to spot the trouble areas in their agency by showing which offices and which regions were making progress or losing ground.

I have just received the second annual report, which shows that the total delinquencies as of December 31, 1955, are \$1,646,383,974.

This represents an increase of \$31.9 million over the same comparable statistics for December 31, 1954.

The Department does claim that this increase is somewhat offset by the fact that it has reduced by nearly \$200 million the number of accounts remaining to be assigned to the field; however, it should be noted that in using the same comparable figures for comparison, the total delinquencies as of December 31, 1955, were \$31.9 million greater than the number in the preceding year.

I ask unanimous consent to have incorporated in the RECORD a copy of the Department's letter of February 20, 1956, followed by the insertion of two charts, exhibits No. 1 and 2.

There being no objection, the letter and charts were ordered to be printed in the RECORD, as follows:

UNITED STATES TREASURY DEPARTMENT,  
Washington, February 20, 1956.

Hon. JOHN J. WILLIAMS,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR: In accordance with my letter to you of February 1, 1956, there are

enclosed tabulations of all accounts as of December 31, 1955, which were delinquent and which have been formally transferred to our field collection force for collection action. Exhibit No. 1 shows that as of December 31, 1955, we had a total of 1,596,615 delinquent accounts in the amount of \$1,646,383,974 in this status. These accounts were divided in the following general categories of tax:

| Class of tax        | Number    | Amount          |
|---------------------|-----------|-----------------|
| Income tax.....     | 1,139,688 | \$1,268,101,793 |
| Employment tax..... | 399,269   | 284,803,337     |
| All other.....      | 57,688    | 93,479,014      |
| Total.....          | 1,596,615 | 1,646,383,974   |

The tabulations we furnished you as of December 31, 1954, broke the accounts into seven categories of tax. These consisted of the following: Individual income, corporation income, taxes withheld, excise taxes, estate and gift taxes, unemployment taxes, and carriers taxes. During the past year, in order to simplify our reporting load, we consolidated these 7 categories into the 3 listed above. Under income tax, we have included the individual income and corporation income taxes; under employment tax, we have included taxes withheld, unemployment and carriers taxes; and under all other, we have included the excise taxes and estate and gift taxes.

In addition to the delinquent accounts which have been formally transferred to the field collection force for collection action, we had on hand on December 31, 1955, 26,853 accounts in the amount of \$12.9 million which were of delinquent age but which had not been transferred to the field collection force.

Exhibit No. 2 shows the number of delinquent accounts that have been transferred to the field collection force that are in an inactive status. These are accounts on which collection activity has been deferred pending the outcome of court decision, audit examination or other contingent action. Of the total delinquent accounts in the hands of the field collection force, 14 percent or 222,845 are such inactive accounts, representing \$67,437,626, or 40.5 percent of the total delinquent tax liability. On these accounts collection action is not being pursued pending consummation of the contingent action.

During the year the number of delinquent accounts assigned to our field collection force was reduced by 128,859 (from 1,725,474 to 1,596,615), but the amount outstanding increased approximately \$31.9 million (from \$1,614.5 million to \$1,646.4 million). On the surface, in respect to the amount outstanding, this would indicate an unfavorable trend. However, considerable progress is indicated when consideration is given to the following:

1. While the amount outstanding on accounts assigned to the field collection force increased by \$31.9 million, the increase occurred in our inactive category, as illustrated by the following table:



| Region               | 1954 delin-<br>quent<br>taxes | 1955 delin-<br>quent<br>taxes | Percent of<br>increase,<br>1955 over<br>1954 | Percent of<br>decrease,<br>1955 over<br>1954 | Region                | 1954 delin-<br>quent<br>taxes | 1955 delin-<br>quent<br>taxes | Percent of<br>increase,<br>1955 over<br>1954 | Percent of<br>decrease,<br>1955 over<br>1954 |
|----------------------|-------------------------------|-------------------------------|----------------------------------------------|----------------------------------------------|-----------------------|-------------------------------|-------------------------------|----------------------------------------------|----------------------------------------------|
| Dallas region:       |                               |                               |                                              |                                              | Omaha region—Con.     |                               |                               |                                              |                                              |
| Albuquerque.....     | \$2,824,810                   | \$2,960,729.62                | 4                                            |                                              | St. Louis.....        | \$12,267,505                  | \$10,085,650.00               |                                              | 17½                                          |
| Austin.....          | 20,202,903                    | 12,734,005.75                 |                                              | 36                                           | St. Paul.....         | 9,725,868                     | 9,270,790.41                  |                                              | 4½                                           |
| Dallas.....          | 23,748,778                    | 16,337,067.48                 |                                              | 31                                           | Wichita.....          | 7,316,879                     | 6,757,858.90                  |                                              | 7½                                           |
| Little Rock.....     | 2,315,863                     | 2,108,438.18                  |                                              | 8                                            | Philadelphia region:  |                               |                               |                                              |                                              |
| New Orleans.....     | 17,472,965                    | 13,613,589.17                 |                                              | 22                                           | Baltimore.....        | 68,663,284                    | 62,497,224.45                 |                                              | 9                                            |
| Oklahoma City.....   | 9,043,216                     | 9,421,064.41                  | 4                                            |                                              | Camden.....           | 10,638,780                    | 16,896,707.75                 | 58½                                          |                                              |
| New York City:       |                               |                               |                                              |                                              | Newark.....           | 92,962,982                    | 79,793,942.61                 |                                              | 14½                                          |
| Albany.....          | 15,061,055                    | 11,274,930.84                 |                                              | 25                                           | Philadelphia.....     | 63,450,420                    | 74,744,336.73                 | 17½                                          |                                              |
| Brooklyn.....        | 106,522,490                   | 133,339,786.92                | 25                                           |                                              | Pittsburgh.....       | 28,655,774                    | 30,144,327.73                 | 4                                            |                                              |
| Buffalo.....         | 12,368,574                    | 12,058,317.23                 |                                              | 2                                            | Scranton.....         | 7,948,754                     | 7,233,268.19                  |                                              | 9                                            |
| Lower Manhattan..... | 171,309,518                   | 169,476,849.31                |                                              | 1                                            | Wilmington.....       | 22,009,168                    | 3,639,928.73                  |                                              | 83½                                          |
| Puerto Rico.....     | 273,843                       | 622,244.65                    | 127½                                         |                                              | San Francisco region: |                               |                               |                                              |                                              |
| Syracuse.....        | 5,650,017                     | 5,395,848.85                  |                                              | 4                                            | Boise.....            | 2,083,834                     | 1,988,294.11                  |                                              | 4½                                           |
| Upper Manhattan..... | 158,538,468                   | 195,098,775.26                | 23                                           |                                              | Helena.....           | 2,863,290                     | 2,575,503.61                  |                                              | 10                                           |
| Omaha region:        |                               |                               |                                              |                                              | Honolulu.....         | 4,620,939                     | 4,345,619.31                  |                                              | 5                                            |
| Aberdeen.....        | 1,255,504                     | 1,613,977.06                  | 28½                                          |                                              | Los Angeles.....      | 88,047,147                    | 83,679,336.98                 |                                              | 5                                            |
| Cheyenne.....        | 1,629,689                     | 1,344,230.40                  |                                              | 17½                                          | Phoenix.....          | 5,510,061                     | 5,657,757.70                  |                                              | 8½                                           |
| Denver.....          | 7,552,576                     | 7,960,670.88                  | 5½                                           |                                              | Portland.....         | 15,351,352                    | 12,429,142.29                 |                                              | 19                                           |
| Des Moines.....      | 9,737,729                     | 8,290,182.84                  |                                              | 15½                                          | Reno.....             | 6,043,359                     | 6,697,953.56                  | 10½                                          |                                              |
| Fargo.....           | 1,353,482                     | 1,011,136.65                  |                                              | 25                                           | Salt Lake City.....   | 4,649,780                     | 3,560,853.41                  |                                              | 23½                                          |
| Kansas City.....     | 9,021,864                     | 9,433,477.26                  | 4½                                           |                                              | San Francisco.....    | 66,858,096                    | 88,983,217.30                 | 33                                           |                                              |
| Omaha.....           | 4,180,447                     | 3,364,445.91                  |                                              | 19½                                          | Seattle.....          | 19,804,603                    | 18,285,409.85                 |                                              | 7½                                           |

Mr. WILLIAMS. Mr. President, I call particular attention to the fact that the Philadelphia-Camden area, which has been under criticism recently, show delinquent tax increases of 17 percent and 58 percent, respectively. This further confirms my contention that a long overdue examination of these two offices is in order.

There has been a 53-percent increase in delinquencies in Detroit, 127 percent increase in Puerto Rico, 33-percent increase in San Francisco, and increases of somewhat lesser extent in other areas.

Many other districts have shown progress in reducing the amount of delinquent accounts, and it is a pleasure to call special attention to the fact that the Wilmington, Del., district has made the outstanding record for the country by reducing its tax delinquencies by 83 percent during the calendar year 1955.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. AIKEN. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, I rise to speak in support of the pending farm legislation.

It is not necessary to restate here the adverse financial situation in which almost every farmer finds himself today. Most people realize that if present farm prices were permitted to continue, they would break the average farmer.

A very high percentage of our farmers are in bad shape financially. This is particularly true of the small farmers and the young World War II and Korean war veterans who, during the past 10 years, have just gotten started in the farming business.

The Eisenhower administration recognizes that farmers are in dire financial straits. Otherwise the administration would not be requesting authority of Congress to spend more than \$1.3 billion a year in payments to farmers for a soil-bank program in addition to the costs of the flexible price support program.

The farm bill now before the Senate has three major provisions—the soil-bank program, the restoration of 90-percent supports for basic farm commodities, an increase in dairy supports from 75 to 80 percent of parity, and a provision to reinstate the dual parity formula.

The soil-bank proposal embodies two separate and important programs—the conservation reserve program and the acreage reserve program.

The conservation reserve program applies to all cultivated acres. Cooperation by farmers in both the conservation reserve and acreage reserve programs would be strictly on a voluntary basis.

Farmers would be paid approximately \$19 an acre on a national average to reimburse them for the expense of placing their land under the conservation reserve program. The rate in North Dakota would be slightly less.

All the figures I will use in connection with the soil-bank program are those given to the Senate Agriculture Committee by the Secretary of Agriculture and are subject to some revision.

The land placed under this program would be on a 3 to 10 year lease basis and in North Dakota farmers would be given an annual payment of approximately \$5.70 per acre.

The acreage reserve program affects only allotted acres of wheat, corn, cotton, and other basic commodities. Farmers may voluntarily take up to 30 percent of their allotted wheat and corn acres out of production and place it under this program.

All they must do to comply is keep the land idle for 1 year. The payment per acre in North Dakota would average about \$13.50. This is a tentative figure.

The following is an example of how the acreage reserve program would be

applied to a farm in Ward County, N. Dak., for wheat:

|                               |                    |          |
|-------------------------------|--------------------|----------|
| County normal yield           | bushels per acre.. | 13.2     |
| Size of farm.....             | acres.....         | 480      |
| Acreage allotment.....        | do.....            | 120      |
| Acreage put into reserve..... | do.....            | 30       |
| Payment rate per acre.....    |                    | \$13.50  |
| Payment to farmer.....        |                    | \$405.00 |

If his farmer also participates in the conservation reserve program, he could earn additional money as follows: If he places 70 acres of any of the rest of his cultivated acres under the conservation reserve program, he would be paid approximately \$17 per acre for the expense involved in placing the land under conservation practices.

Seventy acres times \$17 per acre would be \$1,190. In addition, he would earn approximately \$5.70 per acre, or 70 times \$5.70, \$399.

Thus, for the first year he would earn \$1,589 on the conservation reserve program plus the \$405 on the 30 acres he placed in the acreage reserve program, or a total of \$1,994.

The committee has written strong language in the legislation to assure equitable sharing of the payments under this program as between landlords and tenants.

The second and most important provision in the bill, in my opinion, has to do with price supports. It would restore 90 percent supports for basic farm commodities and raise price supports for dairy commodities from 75 to 80 percent of parity.

On both cotton and wheat the bill provides that there shall be mandatory price differentials to reflect the quality of the commodity. The Secretary of Agriculture now has discretionary authority to establish price differentials, and for years a very limited program of this nature has been in effect.

With respect to wheat, this bill provides that all varieties which normally produce a good quality wheat would be supported at 90 percent of parity. This means that every farmer who seeds a variety of wheat which normally could be expected to produce a good quality wheat would receive 90 percent price supports.



Less than 2 percent of all the wheat seeded in North Dakota in 1955 consisted of varieties which would not qualify for 90 percent supports.

There has been considerable misrepresentation and misunderstanding of the provisions of this section of the farm bill which pertain to price supports for wheat on a quality basis.

One of the worst misrepresentations appeared in the National Farmers Union's Washington newsletter dated February 10, 1956. A part of this newsletter reads as follows:

Wheat price levels are left in great—and serious—doubt by the committee bill's provisions. An enormous power of discretion is granted to the Secretary of Agriculture.

The mandatory limits that would be established are only that some wheat must be supported at 90 percent; the lowest level of wheat support must be at its feed equivalent value to corn, and the support price of all wheat must average 75 percent of parity.

This means price-support floors for wheat ranging, at today's price levels, from \$1.72 per bushel—90 percent of the corn parity equivalent for wheat—if the bill passes.

If the wheat provision is adopted without winning the rest of the bill, it would set price support floors for wheat down as low as \$1.36 per bushel.

It is left up to the Secretary of Agriculture (with the advice of a committee comprised of one-third processors, one-third farmers, and one-third professors, all appointed by the Secretary to determine which wheat is to be supported as milling quality wheat at 90 percent, and which is to be supported only at feed value.

This bill virtually insures that high-quality wheat producers would lose the premiums which they usually get above the support level.

It also opens up the danger that millers will buy feed wheat to dilute their flour mixes, putting further downward pressure on high-quality wheat premiums.

Obviously, the writer of this newsletter did not read the pending bill, or else he does not understand farm legislation.

Mr. President, I ask unanimous consent that all of section 102 of the agriculture bill be printed in the RECORD at this point as a part of my remarks.

There being no objection, the section of the bill was ordered to be printed in the RECORD, as follows:

SEC. 102. Section 101 (d) of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"(8) if producers have not disapproved marketing quotas for the crop, (A) the support price to cooperators for milling quality wheat shall be established upon the basis of a support level for the crop of 90 percent of the parity price for wheat, and (B) the support price to cooperators in any area for any other wheat shall be established, without regard to paragraph (7) of this subsection, at such level as the Secretary determines will preserve the competitive relationship between such wheat and corn on the basis of their respective feed values; but in no event shall the average support price to cooperators for all wheat (based upon anticipated production) be less than 75 percent of its parity price. For the purposes of this paragraph milling quality wheat shall be wheat produced in any area from seed of a variety which in such area normally produces wheat of a quality desired for milling purposes. In determining milling quality wheat, the Secretary shall consult with a committee appointed by him and composed of three representatives from each of the

principal wheat-producing areas. Of the 3 representatives from each area, 1 shall be a wheat farmer, 1 shall be a wheat miller, and 1 shall be a person experienced in research on wheat varieties. At least one of the millers on the committee shall have had experience in producing semolina flour. Wheat of the 1956 crop planted in any area shall be milling quality wheat for the purposes of this paragraph, unless such wheat is of a variety which was designated as undesirable in such area by the Department of Agriculture prior to the time such wheat was planted. This paragraph shall be applicable only to the 1956 and 1957 crops."

Mr. YOUNG. Mr. President, I also ask unanimous consent to have printed as a part of my remarks the explanation in the report accompanying the bill as to how Members of the Senate Agriculture Committee feel this quality wheat provision would be applied.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### SECTION 102. WHEAT

Section 102 provides price support for milling quality wheat at 90 percent of parity and support for other wheat at such levels as will preserve its competitive relationship with corn on the basis of respective feed values, the average support price for all wheat to be not less than 75 percent of parity. Milling quality wheat would be wheat produced in any area from seed of a variety which in such area normally produces wheat of a quality desired for milling purposes. Wheat of the 1956 crops is deemed to be milling quality unless of a variety designated as undesirable by the Secretary of Agriculture prior to the time such wheat is planted. In determining milling quality wheat, the Secretary would consult with a committee on which there will be 3 representatives from each of the principal wheat-producing areas, of whom 1 would be a wheat farmer, 1 a wheat miller, and 1 a person experienced in research on wheat varieties. This section would be applicable only to the 1956 and 1957 crops.

The announced support price for wheat of the 1956 crop is \$1.81 per bushel (76 percent of parity). On the basis of January 15 data and the parity formula provided by section 106, 90 percent of parity would be \$2.26 per bushel.

Under this section, a national average support level representing 90 percent of the parity price for wheat would be established, and, after the adjustments for location, grade, quality, and other factors called for by section 403 of the Agricultural Act of 1949, this would be applied to milling quality wheat. The support level for other wheat would be established at a price for each county which represents its feed value relationship to corn. The feeding value of wheat to corn (pound for pound) based on USDA Circular No. 836 is 105.

The Department has had some experience in preparing a program of the type contemplated by this section.

On August 12, 1955, it announced that under the 1956 wheat price support program 23 designated undesirable varieties would be discounted 20 cents per bushel in addition to any other discounts, and that protein premiums would not be applicable to these varieties. Following is a listing of the designated undesirable varieties, by classes and the States in which they are designated:

Hard Red Winter:

Purkof: Indiana, Michigan.

Red Chief: Illinois, Iowa, Missouri, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico.

Red Jacket: Illinois, Nebraska, Kansas, Oklahoma, Texas, Colorado, New Mexico.

Kanking: Missouri, Kansas, Oklahoma, Texas, Nebraska.

Kanqueen: Missouri, Colorado.

Chiefkan: Nebraska, Kansas, Oklahoma, Texas, Montana, Colorado, New Mexico.

Stafford: Nebraska, Kansas.

Early Pawnee (Sel. 33): Kansas.

Early Blackhull: Kansas, Oklahoma, Texas, Montana, Colorado.

New Chief: Kansas, Oklahoma, Texas, Colorado, New Mexico.

Yogo: Kansas, Oklahoma, Texas.

Soft Red Winter:

Kawvale: Indiana, Illinois, Missouri, Kansas, Nebraska.

Hard Red Spring:

Henry: Michigan, Minnesota, North Dakota, South Dakota, Montana.

Sturgeon: Wisconsin.

Progress: Wisconsin.

Spinkcota: Minnesota, North Dakota, South Dakota.

Premier: Montana, North Dakota.

White:

Rex: Idaho, Washington, Oregon.

Sonora: California.

Galgalos: Nebraska.

Durum:

Golden Ball: Minnesota, North Dakota, South Dakota, Montana.

Peliss: North Dakota, Montana.

Pentad: North Dakota.

The August 12 announcement contemplated that a producer certification plan would be used. Each producer applying for price support in States with any of the listed undesirable varieties would be required to certify (1) that the wheat he harvested was not of the undesirable varieties listed for his State, or (2) that the wheat he harvested was from one or more of the undesirable varieties but none of such wheat was being tendered for price support, or (3) that the wheat on which he requested price support contained wheat of an undesirable variety listed for his State and such wheat was identified by variety, and bin number (if farm stored) or warehouse receipt number.

It was estimated that the total 1954 production of the 23 varieties listed as undesirable by the Department in its announcement of August 12, 1955, amounted to 31 million bushels, as compared with the total 1954 crop of 985 million bushels.

Mr. YOUNG. Mr. President, I think the bill is very plain as to how this provision would be applied. I wish to read just a few lines of section 102 of the bill starting on line 20:

For the purposes of this paragraph milling quality wheat shall be wheat produced in any area from seed of a variety which in such area normally produces wheat of a quality desired for milling purposes.

Exactly the same language is carried forward in the committee report. It should be obvious to anyone that these provisions specifically provide that any farmer seeding wheat which normally produces a good quality wheat would be given 90 percent supports. How can any other interpretation be placed upon it?

In North Dakota more than 98 percent of all the wheat seeded is of varieties which normally produce good quality. There is no reason in the world why wheat producers in any section of the United States should not plant wheat which normally produces good quality if they expect to get 90 percent supports.

It does not make sense to provide top level supports to producers who intentionally plant varieties of low quality wheat just because they are highly resistant to rust and other diseases and



produce heavy yields per acre. Continuance of this practice would break any price support program, whether it is based upon 90 percent supports or 70 percent supports.

Why should any farmer in North Dakota be given top level supports for producing such wheat as premier when it is recognized to be a poor quality. Or why would he be given top level supports for producing golden ball, peliss, or pentad durum—varieties which are recognized to be of very poor quality?

As late as last year these varieties of wheat received the same support level as the best wheat produced in our area.

Every variety of wheat released by the North Dakota experiment station has been of very good quality and is so recognized by the millers and bakers. Unfortunately, we cannot say as much for some of the experiment stations in other parts of the United States. Unfortunately, from time to time some have released varieties of wheat which are big yielders, but of very poor quality.

We have many many varieties of both spring wheat and durum wheat which over the years have been recognized for their top qualities.

They include rival, mida, thatcher, lee, selkirk, mindum, sentry, and numerous others.

The Farmers Union Washington newsletter states:

The lowest level of wheat support must be at its feed equivalent value to corn, and the support price of all wheat must average 75 percent of parity.

Now this is not in accord with the facts. The bill reads—and I quote again from section 102 line 17 on page 2:

But in no event shall the average support price to cooperators for all wheat (based upon anticipated production) be less than 75 percent of its parity price.

That is a far cry from what is claimed in the newsletter as to the provisions of the bill. This provision means exactly what it says—that the average support price could not be less than 75 percent of parity. It does not mean it must be 75 percent of parity.

Section 102 does provide that the support level for feed wheats shall be established at a price in each county which represents its feed value in relationship to corn. Certainly varieties of wheat which can only produce wheat of feed value should not have a price support higher than its value as a feed grain equivalent.

For years there have been varying degrees of price support differentials based on the quality of wheat. The quality determination, however, was left entirely to the Secretary of Agriculture working with agriculture research people, millers, and bakers.

The new legislation provides that the quality determination will be made by the Secretary of Agriculture in cooperation with an advisory committee which will include farmers from every principal wheat-producing area of the United States. This is the first time farmers will be given a voice in determining the

quality of various varieties of wheat to receive price supports. This, too, is a step in the right direction.

Mr. President, if all the wheat farmers of the United States could be encouraged through such legislation as we are considering today to plant only varieties which would normally produce a good quality milling wheat, it would result in a reduction in production of at least 50 million to 100 million bushels per year.

There is another claim in the newsletter which is absolutely untrue. It states that premiums for the most part would no longer be available to farmers. That is not so. This argument is the one usually used by the proponents of some flexible or lower supports.

Mr. THYE. To what newsletter does the Senator refer?

Mr. YOUNG. It is the National Farmers Union Newsletter of February 10, 1956.

As I have stated previously, good quality wheats invariably produce less per acre. There would be many additional benefits. It would be much easier, for example, to find new markets for good quality wheat both at home and abroad. We have lost many foreign markets because all too often we have shipped inferior quality wheat.

Statements by the Secretary of Agriculture and other opponents of the reinstatement of 90-percent supports that this would greatly increase production are just not in accord with the facts.

All of the basic commodities, for which this bill would reinstate 90-percent supports, are now under the strictest kind of acreage allotments or quotas. This has meant a more than one-third cut in their acreage.

The reinstatement of 90-percent supports, as provided in this bill, does nothing to increase acreage or production. Actually, placing price supports on a quality basis, as this bill does, will tend to decrease production.

The present flexible price-support program, if continued, will break most wheat farmers.

I have already said that the wheat farmer has had to cut his acreage by more than one-third. In addition to this, he is required to take a drastic reduction in price supports.

When the Farm Act of 1954 is in full effect, the cut in price supports will be more than one-third. Anyone conversant with the world wheat-supply situation, and more particularly that of Canada and the United States, knows full well that cash prices for most grades of wheat have little chance of rising above support levels in at least the next 2 or 3 years.

Mr. President, permit me to give you an example of how this flexible price-support program, together with the modernized parity formula, affects wheat farmers.

The support price for wheat in 1954 was \$2.26 a bushel on the national average. The support price in 1955 was \$2.08. The support price for this year, 1956, unless Congress approves the present legislation, will drop to \$1.81 a bushel.

The following year, 1957, because of the application of the modernized parity formula, there will be a still further drop in the price support to approximately \$1.70 a bushel. In 1958, because of the modernized parity formula, the price support would drop to \$1.60 a bushel or lower.

In addition to this, any farmer who does not store his grain on the farm takes a further reduction of an average of 10 cents a bushel as his payment for advance storage costs. That is, if he hauls his grain to town and gets his loan through his regular marketing channels. Thus, by 1958, if the Agricultural Act of 1954 is permitted to go into effect, the actual support price paid to farmers would be \$1.50 a bushel or less.

Mr. President, this approximately one-third cut in acreage and the one-third cut in prices is more than the wheat farmer can take. Certainly, few business firms could survive such a cut in income.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CARLSON. Perhaps it might be well, if the Senator does not object, to refer to the method of figuring parity under the new basis. Do I understand that the committee is recommending a study of the parity formula?

Mr. YOUNG. That is correct. The committee bill provides for a reinstatement of the dual parity formula, but with the request to the Department of Agriculture to make a study of the parity formulas, in the hope that they can come up with one that is more fair and equitable to all producers.

Mr. CARLSON. May I ask this question? Do I understand from a reading of the report that we have three types of parity formulas, namely, the old, the new, and the transitional? Or am I confused about it?

Mr. YOUNG. There are actually only two, the old parity formula and the modernized parity formula. Under the provision of the law at the present time, parity cannot drop more than 5 percent a year. That is called the transitional parity formula. In the transitional period when we are moving from the old parity formula to the modernized parity formula, it is provided that the parity price cannot drop more than 5 percent a year. That is the transitional period.

Mr. CARLSON. Am I to understand that if we do not adopt the 90 percent formula so far as wheat is concerned, the supported price of wheat in 1956 will drop from \$2.04 or \$2.06 a bushel to \$1.81 a bushel?

Mr. YOUNG. In 1956; yes.

Mr. CARLSON. As I understand the Senator's statement, on the basis of the modernized parity formula, we can expect further reductions in the next 2 or 3 years. Is that correct?

Mr. YOUNG. The reductions will be at least 20 cents a bushel, and perhaps 22 cents a bushel more.

Mr. CARLSON. I believe that is a very important point, and I sincerely hope that we will take some time and look into it.

Mr. YOUNG. I thank the Senator.

Reinstating price supports for basic farm commodities will automatically



raise the cash market price of practically all other grains. Mr. President, I hold in my hand a news story with a Chicago dateline of February 10, 1956, which gives ample proof of what I am saying. Let me read a part of it:

Two bearish items greeted grain traders at the opening. First, a letter by President Eisenhower to Senator AIKEN, Republican, of Vermont, in which the President said he was gravely concerned over the prospect new farm legislation would set price supports at 90 percent of parity for basic crops. Second, an Agriculture Department announcement of a steep cut—from 87 percent to 81 percent of parity—in the price support level for 1956 crop corn. Fairly heavy selling hit the market in the first half hour on these developments. But it dried up before that first hour was over. After that, prices climbed. Traders noted President Eisenhower did not definitely say he would veto a farm bill containing the 90 percent of parity support provision.

I think that is the best proof that if 90-percent parity were restored, prices would immediately climb.

Throughout the testimony of farmers during the month-long hearings last fall held in practically every part of the United States, most cattle and hog feeders stated frankly that lower feed grain prices had encouraged too much feeding of cattle and hogs, thus creating burdensome surpluses and depressed prices.

The pending legislation will go a long way toward stabilizing grain prices at a higher level which would be of benefit not only to the producers of grain but to almost every other segment of our agriculture economy.

Farmers produce the most important things necessary to the health and happiness of everyone—food and fiber. The prices farmers receive now, according to Government statistics, are approximately only 80 percent of parity or a fair price. Certainly reinstatement of 90 percent supports would be the least we could do to relieve the desperate farm price situation—and at a time when the Nation as a whole is enjoying unprecedented prosperity.

The third major provision in this bill has to do with reinstating the dual parity formula for basic farm commodities. The modernized parity formula uses as its major provision in determining parity the average price farmers received for the previous 10-year period.

Thus, if farm price supports are lowered—as is being done under the flexible price-support program—and if cash prices are at a depressed level—which they are—the future parity for basic farm commodities will be reduced accordingly. Just because we may have a 5- or 10-year period of depressed prices, it should not follow that this 10-year average of low prices should represent a fair price for parity in future years.

That is exactly what the modernized parity formula does. The lowering of price supports through the modernized parity formula is particularly hard on farmers at this time when the prices of everything they have to buy are increasing sharply. I believe the dual parity formula should be continued until the Department of Agriculture can work out a more fair and equitable parity formula.

Mr. President, I am not unaware of the threat of reprisals by some proponents of the administration-farm program to those of us who will vote to keep 90-percent supports as a part of our present farm program and thus, as they say, invite a possible Presidential veto.

They say they propose to advise the people of this country who then would be responsible for the loss of the soil-bank program. Such threats will not deter me in voting for what I think is a fair and reasonable agricultural bill.

In my opinion, the provision of this bill to reinstate 90-percent supports is of far greater importance than the soil-bank provision. It will immediately raise farm prices and it will immediately raise the value of most of the farm commodities that the Federal Government now holds in its CCC stocks.

Farmers are not asking for a dole from the Federal Government, as is the case with respect to the soil-bank program. All they ask for is a fair price for the things they produce. The 90-percent provision will do far more to raise farm prices at less cost to the Federal Government than will the soil-bank program.

I think the soil-bank program has considerable merit and should be approved by Congress, unless very carefully and wisely administered, however, this program has some potentially dangerous aspects. Under this program, we will spend \$1.3 billion a year—most of which will be for purposes to enrich the soil. Certainly, this more fertile soil will have the potential of greatly increasing production rather than decreasing it in future years.

There are some highly questionable practices being proposed under this soil-bank program. The provision to pay farmers to destroy a good wheat crop seeded last fall does not meet with my approval. It is repulsive to the thinking of a great many people in this Nation. We tried this kind of program back in the thirties.

We tried a flexible price-support program back in the thirties and it, too, failed to establish a good price for farm commodities and almost doubled the carryover of wheat and corn during the years it was in operation.

Mr. President, I ask unanimous consent to have inserted at this point in my remarks a table which contains figures obtained from the United States Department of Agriculture to substantiate my point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Table indicates price-support level, average price farmers received, carryover as of July 1 of year indicated, and amounts of direct payments made to farmers*

[Information from U. S. Department of Agriculture]

|                                                       | 1938   | 1939   | 1940   |
|-------------------------------------------------------|--------|--------|--------|
| Price support of wheat (percent).....                 | 52     | 56     | 57     |
| Average farm price farmers received (per bushel)..... | \$0.56 | \$0.63 | \$0.67 |
| Carryover in bushels (millions of bushels).....       | 153    | 259    | 280    |
| Price support of corn (percent).....                  | 70     | 69     | 75     |
| Average farm price received.....                      | \$0.47 | \$0.54 | \$0.60 |

*Table indicates price-support level, average price farmers received, carryover as of July 1 of year indicated, and amounts of direct payments made to farmers—Continued*

[Information from U. S. Department of Agriculture]

|                                                                                                                                       | 1938             | 1939             | 1940             |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| Carryover in bushels (millions of bushels).....                                                                                       | 361              | 584              | 688              |
| A. C. P. class I payments made to farmers in partial compensation for their proportionate acreage adjustment for soil-depleting crops | Millions \$217.4 | Millions \$350.7 | Millions \$380.2 |
| Parity payments to producers, principally of corn, wheat, and cotton.....                                                             |                  |                  | 211.7            |
| A. C. P. class II payments for soil-conservation practices.....                                                                       | 88.8             | 119.8            | 202.0            |
| Total.....                                                                                                                            | 306.2            | 470.5            | 793.9            |

Mr. YOUNG. Mr. President, we had flexible price supports ranging from 52 to 75 percent of parity from 1938 until the start of World War II. During the crop years of 1938, 1939, and 1940, the price support for corn, as noted in this table, ranged from 69 to 75 percent of parity.

During this same 3-year period the carryover of corn increased from 361 million bushels in 1938 to 688 million bushels in 1940, or approximately double. It will be noted that the national average farm price for corn in these 3 years respectively were as follows: In 1938, 47 cents a bushel; in 1939, 54 cents a bushel; in 1940, 60 cents a bushel.

Certainly these low price supports and low cash prices did nothing to decrease production—in fact, the carryover during this 3-year period was practically doubled.

The price support for wheat from 1938 to 1940, as noted in this table, ranged from 52 to 57 percent of parity. During this 3-year period we increased our wheat carryover from 153 million bushels to 280 million bushels, or nearly double. The average cash prices received by wheat farmers for these years were as follows: In 1938, 56 cents a bushel; in 1939, 68 cents a bushel; in 1940, 67 cents a bushel.

I may add, Mr. President, that those who claimed they got the farmers out of the financial wilderness in the 1930's should take a look at the average cash prices received by farmers in the 1930's.

These were bankrupt prices, yet, as is always the case, farmers at that time tried to offset losses in income from low prices by increasing their production.

During this 3-year period from 1938 to 1940 we had in connection with this flexible price-support program another program not too unlike that of the President's soil-bank provision in the pending bill. In 1938 the Federal Government made payments to farmers for soil-conservation practices and other closely associated programs totaling \$306,200,000.

In 1939 the total payments were \$470,500,000 and by 1940 these direct payments to farmers—mostly for soil-conserving practices—had reached a total of \$793,900,000.

This \$793 million, in terms of prewar purchasing power, would bring far more soil conservation than is proposed under the present bill for \$1.3 billion.



Mr. President, we have had another and more recent experience in flexible or lower prices which the proponents claim will control surpluses.

From February of 1951 to the present time the average overall farm prices have dropped approximately 28 percent. We have had flexible price supports in operation the past year. In spite of these lower price supports, and in spite of a drastic drop in cash prices, we witnessed in 1955 the greatest overall farm production in the history of the United States.

I do not see how any student of the production of field crops could escape the conclusion that flexible price supports will do nothing to curtail surpluses.

Mr. President, I sincerely hope the Senate will approve the price support provision of the bill substantially as it was reported by the Senate Agriculture Committee. We should maintain the 90 percent price support program until a better way is found to maintain fair farm prices.

I do not now and never have claimed that 90 percent supports is the complete answer to all farm-price problems. All I am saying is that it will do far more to help farmers than any flexible price-support program yet devised.

Farmers need help immediately. They cannot wait any longer.

Mr. CARLSON. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. CARLSON. I wish to commend the Senator for the very fine statement which he has so ably presented to the Senate, in regard to some of the problems in the great wheat-producing sections of the Nation. He has painted a very accurate picture of the situation, and I was especially interested in that part of it which indicated that the further we reduce the price of a commodity grown by a farmer, the more of it he tries to produce in order to get his cash income up to the point where he can take care of farm machinery costs, labor costs, and utility costs.

Mr. YOUNG. First, I should like to thank my friend from Kansas for his kind remarks. I know the Senator from Kansas has had a great interest in agriculture as long as I have known him.

To answer the Senator's question, I think farmers try their best to offset any loss of income by increasing production.

Mr. CARLSON. May I inquire further if that is not basic in the farmer's problem, namely, to produce enough to carry on an economic operating unit and live as he should live?

Mr. YOUNG. Especially now, when he has a tremendous investment. He must do the only thing he knows how to do best, that is to produce more, and hope that prices will be better.

Mr. CARLSON. We have heard many complaints on the Senate floor as to the gross production. Some 23 million acres of wheat land have been withdrawn from wheat cultivation, and on it farmers have produced forage crops and grains which have upset the livestock market. That is the result of being forced to go into such production in

order to make a profitable economic unit of the farms.

Mr. YOUNG. That is true. The more price-supports are lowered for one commodity the farmer can raise, the more he tries to offset his loss by raising something else.

Mr. CARLSON. I will say to the Senator that I do not see how we can work out any other program at the present time than that which has been presented in the Senator's statement to the Senate this afternoon. I think that is the formula which we must follow in the wheat belt of the Nation.

Mr. YOUNG. I have just finished conducting a poll of the people of North Dakota. I received almost 5,000 returns from 20,000 questionnaires which I sent out. The returns from nonfarmers are about 2 to 1 in favor of 90-percent price supports. The farmers favor price supports by about 10 to 1.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. I commend the distinguished junior Senator from North Dakota for having made a very able presentation of the farmer's plight and the farmer's problem accused by decreasing farm income on the one hand, and, on the other hand, constantly rising expenses, including taxes, insurance on buildings, the cost of replacing machinery, and all the other costs incidental to farm operations. The Senator has very clearly outlined the problems of the farmers.

I was intrigued by the Senator's remarks when he stated that the farmer would not necessarily reduce his production simply because prices were becoming lower. Commonsense should teach anyone that that would be true. It would be applicable even to the members of the press in the gallery. If the cost of their writing per line were reduced, and if they could increase their income by increasing the number of lines they wrote, I would venture a guess that they would increase their writing in order to increase their earnings.

That is true of the farmer. He will increase his units of production if he can realize another dollar by such an increase. He will not decrease his production simply because a bushel of grain is 10 cents less in value or in the price he receives. He will not decrease the number of tons of hay he puts up merely because the price of hay has dropped \$10 or \$5 a ton. He will first put up the hay which is on the ground. That is the first act of a good farmer. Second, he will till the land and try to produce the maximum. He must do that.

This is most evident so far as the producer of milk concerned. The support price of milk was dropped in 1954 from 90 percent to 75 percent of parity. But that did not discourage either the flow of milk from the cow or the efforts of the producer. Today there is an increase of almost 4 billion pounds of fluid milk in the United States, even though the price is less.

It stands to reason that the farmer must have income with which to pay his

obligations. It is almost second nature for the farmer to produce the maximum amount that his acreage will grow.

So we return to the very simple proposition that the soil bank is the only real answer to a reduction of farm production in the United States. The soil-bank program proposes an orderly layaside of tillable acres into a soil-building project.

The soil bank is the real approach to reducing surpluses. The price factor has never accomplished this purpose in the past, and it will not do so in the future, because production will be obtained from the land so long as man is able to scratch or till the land.

I commend the Senator from North Dakota for having presented the Senate with his views on the problem, which he so well understands. Not only is he a farm operator in his own State, together with the aid of his sons as share operators, but he also is a man who has had many years of practical farm-operation experience. He knows the problems of farmers better, probably, than does any other Senator. I shall not even refer to myself.

But, Mr. President, it is simply human nature for a man to try to produce and to try to earn. It makes no difference whether he does it with a pen or pencil, or in the production of crops in farm operations.

The junior Senator from North Dakota is to be commended for an able address on a very complex problem, one which is of grave concern to agriculture at this time.

Mr. YOUNG. I thank the Senator from Minnesota for his kind statement.

Mr. President, when there is a surplus of labor it is not suggested that labor work fewer hours for less money. Labor proposes that it work fewer hours and receive a little more pay. Some persons propose to do just the opposite for the farmers.

#### EAST-WEST TRADE

Mr. McCLELLAN obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. McCLELLAN. I am glad to yield for that purpose.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. McCLELLAN. Mr. President, I know the pending business, the farm bill, is important and the Senate wishes to get along with its consideration. Therefore, I am a bit reluctant to interrupt the debate on that measure, but I feel that I should bring to the attention of the Senate at this time a matter of information that is, in my opinion, vital to the



deliberations of this body, and to the welfare and security of our country.

I wish to discuss briefly what we term East-West trade—that is, trade between the Communist-bloc countries and our allies, principally NATO countries.

As Senators may know, during the past several weeks the Senate Permanent Investigating Subcommittee has been exploring in both executive and public hearings the relaxation of that trade that occurred in August 1954, as a result of the COCOM the Coordinating Committee, meeting in Paris, in which our Government participated. Prior to that time, there were some 450 items that were completely embargoed or otherwise controlled by us and our Western allies. At that meeting, however, action was taken which resulted in the disembargoing and downgrading of approximately 200 of the 450 items, leaving only about 250 items under embargo or otherwise controlled.

Immediately following that meeting and the disembargoing and downgrading of these some 200 items, our Government, through its representative at COCOM, Mr. Harold Stassen, issued a statement in which, among other things, he said:

I am convinced that this revision, which has been made with the concurrence of the Departments of State, Treasury, Defense, and Commerce, and approved by the President, will result in a net advantage to the free world of expanded peaceful trade and more effective control of the war potential items. It is a move in the best interests of the United States.

Mr. President, the facts which the subcommittee has uncovered in the course of these hearings completely refute the validity of that statement. They reveal that most astounding secret concessions were made by our Government in that conference to our allies, whose governments and merchants want to do business as usual with the Communist-bloc countries.

Mr. President, I used the term "most astounding secret," and I mean just that, for this information, as to what occurred at the COCOM conference and the truth about the relaxation of trade controls with the Communist countries, was not told to the Congress, or to the American people. I believe the facts should be made known to every American citizen, and certainly the Members of this body should know. It is for that reason, Mr. President, that I now undertake briefly to give to the Congress, to the press, and, I trust through them, to the public, some of the facts and information thus far developed in public hearing by the subcommittee. I believe Senators will agree that this is a matter about which the people of the United States have a right to know.

I intend to give only a few examples of the character, nature, and description of some of the goods, materials, and equipment which were disembargoed or otherwise downgraded with the concurrence of our Government, and in which our allies are now free to trade in and sell to the Communist countries.

First, I shall discuss the category of machine tools—tools which are absolutely essential in the manufacture of the munitions and armaments necessary in

modern warfare. I shall refer only to a few of them.

No. 1: Horizontal boring mills, costing between \$200,000 and \$500,000 each, and which the Defense Department expert testified are essential in the manufacture of armaments such as tanks, artillery weapons, aircraft, heavy ordnance, ship transmission parts, heavy dies for aircraft, forging presses, catapult parts on aircraft carriers, and even for the manufacture of the atom reactors such as those on the submarine *Nautilus*.

No. 2: Vertical boring mills, which the Defense Department expert testified are essential in the manufacture of jet engines.

No. 3: Dynamic balance machines, which the Defense Department expert testified are used for balancing shafts on engines for jet airplanes and guided missiles. Without this machine guided missiles which would remain on a true course could not be produced.

No. 4: External cylindrical grinding machines, which the Defense Department expert testified are essential in the manufacturing of engine parts, guided missiles, and radar.

Mr. President, we had before us some machine tool experts. One of them, who, as I recall, had been in that business all his life, testified before the subcommittee, after he had reviewed the list of machine tools still under embargo, that the list was not worth the paper on which it was written. He further stated that many of the machine tools removed from the embargoed list had greater strategic importance than those remaining under embargo. He further pointed out that the precision boring machine which does work on a multiple scale can be sent to the Soviet bloc while the jig borer, which does the same work on a single scale was left under embargo. He also found that the description of machine tools presently under embargo is often so ambiguous and misleading that the individual or individuals who drew up the list apparently had no technical knowledge in this field and did not understand the nature of machine tools and their respective uses.

In these conclusions the witness was supported by the Defense Department's expert on machine tools. Both pointed out that by permitting the newest machine tools to be sent to the Soviet bloc we allowed them to save from 3 to 5 years in engineering research and development that would have been required of the Soviets to design and produce many of them.

In other words, Mr. President, it simply means that we allow them to get the latest methods in this country, and they do not have to go through the engineering, designing, testing, and revision periods which are required to get a machine to the point where it will operate efficiently.

It was emphatically stated that it would be better for the United States to permit shells, guns or guided missiles to be disembargoed and sent to the Soviet Union, for they could be used against us only once while these machine tools could and will be used to make armaments of

war which could be used against us many times.

Now, let us take a look at metals.

The testimony showed that certain metals and minerals which we are stockpiling in the United States, because they are critical and essential in times of war, were removed from the embargo list and can now be sent to the Soviet bloc.

Let me give you some examples in this category.

Copper is deemed to be one of the most important single strategic metals aside from fissionable materials. Congress was officially informed in the Fifth Battle Act Report, December 23, 1954, that copper remained under embargo. This was a gross misstatement of a material fact. It served to mislead Congress and the public. Testimony has been received by the subcommittee that copper wire was in fact removed from the embargo list. Furthermore, we find that since August, 1954, our Allies in Europe have sent over 250 million pounds of copper to the Soviet Union and its European satellites. I point out that during this same period of time, because of shortages of copper within this country, the United States was forced to divert 143 million pounds of copper to industry from our war reserve stockpile.

We have learned that certain types of aluminum, easily convertible to the manufacture of shells, ammunition, and airplanes, are exportable to the Communist nations. The metal expert from the Defense Department stated, as we all know, that aluminum is essential to build a war machine. He stated that if the decision had been his, aluminum still would be under embargo.

Other minerals stockpiled by the United States and which were either disembargoed or downgraded with the concurrence of the United States, are: asbestos, used in the insulation of cables; talc, used as a spacer in electronic tubes; corundum, essential as an abrasive in the manufacture of all types of military hardware; beryllium alloys and cobalt alloys, both essential in the atomic energy program, and even certain nickel alloys.

Other items removed from embargo were induction furnaces. With the use of certain crucibles and refractories not under embargo, high heat-resistant metal alloys for sonic and supersonic planes and guided missiles, where high speed friction heat becomes a problem, can be made. The chief metallurgist of the Bureau of Mines testified that he could think of no explanation for removing such an important and strategic item from the embargo list.

The committee heard testimony that railroad tank cars used for the transportation of petroleum, flatcars used for carrying tanks or heavy trucks, railroad well cars used for carrying heavy and bulky equipment, rails, and even steam and diesel locomotives were also removed from the embargo list and can be sold to the Soviet Union by our allies abroad.

These are merely examples of some 200 items which were removed or downgraded, with the United States Government concurrence, from the international embargo lists in August 1954.











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 27, 1956  
For actions of February 24, 1956  
84th-2nd, No. 32

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HIGHLIGHTS: Senate continued debate on farm bill. Senate committee ordered reported bill to relieve farmers from excise tax on gasoline.

## SENATE

1. FARM PROGRAM. Continued debate on general features of S. 3183, the farm bill. pp. 2886, 2906, ~~2159~~  
Sens. Russell, Johnson (for Sen. Kefauver; for Sen. Kefauver and Murray; and for Sen. Kefauver, Murray, Douglas and Hennings), and Carlson (for himself and Sens. Morse, Magnuson, Case, Curtis, Jackson, Neuberger, and McNamara) submitted amendments intended to be proposed to the farm bill. pp. ~~2877, 2906~~  
Sen. Langer inserted a newsletter prepared by Rep. Burdick discussing the present farm situation, and its possible effects on the next general election. p. 2877  
Sen. Langer inserted a resolution of the Farmers Union Oil Co., favoring 90 percent of parity on quality wheat. p. 2876
2. DAIRYING. Sen. Wiley inserted an article describing "Wisconsin Dairy Week" to be held in Washington, D. C. commencing on February 27. p. 2882
3. WATER RESOURCES. Sen. Watkins defended the Administration's water-resources policy against recent attacks, and inserted a newspaper editorial and a letter he had received on the subject. p. 2882
4. TAXATION. The Finance Committee ordered reported with amendment H. R. 8780, to relieve farmers from excise taxes on gasoline and special fuels used on the farm for farming purposes. The Committee modified the House-passed bill to provide that no gasoline tax refunds are to be allowed to non-farmers for contract or custom work they perform for farmers. p. D159



5. ADJOURNED until Mon., Feb. 27. p. 2913

ITEMS IN APPENDIX

6. ELECTRIFICATION. Rep. Cooley commended and inserted Rep. Poage's recent address before the Nat'l Rural Electric Cooperative Ass'n outlining the development of R A programs, and stating that "farm income, or the lack of it, is unquestionably the most pressing economic problem at this time confronting America." p. A1749
7. FARM PROGRAM. Sen. Mundt inserted a constituent's letter to the Wall Street Journal objecting to their recent article, "And Heaven Too," in which they allegedly criticized the Senate Agriculture Committee and the Congress for its efforts to do something for agriculture. p. A1751
8. DECLARATION. Extension of remarks of Rep. Hiestand opposing the proposed upper Colorado River project as being not only "financially unsound, but also is not reconcilable with the interests of common sense." p. A1752  
Rep. Hosmer inserted a Calif. State Assembly resolution opposing the proposed Colo. River project. p. A1753  
Extension of remarks of Rep. Hosmer stating that "it is the water rights which underlie those developments that Californians seek to protect when they oppose the upper Colorado River storage project and charge that it tramples those rights." p. A1757
9. TRANSPORTATION. Rep. Tollefson inserted Henry C. Parke's, merchant marine committee of the American Legion, statement before the H. Merchant Marine and Fisheries Committee urging continuation of the 50-50 cargo preference law for the shipment of surplus commodities abroad. p. A1753

BILLS INTRODUCED

10. FLOOD CONTROL. S. 3281, by Sen. Bender, declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be property within the flood-control activities of the Federal Government; to Public Works Committee.
11. LIVESTOCK; HOGS. S. 3282, by Sen. Capehart, to amend the Packers and Stockyards Act to prevent sudden and unreasonable decreases in the price of hogs and cattle which are sold at stockyards subject to that act; to Agriculture and Forestry Committee.

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COMMITTEE HEARINGS TO BE HELD FEB. 27:

Flood insurance bills, S. Banking and Currency.

Cargo preference, H. Merchant Marine and Fisheries (exec).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105-A.



been a machinist apprentice and mail carrier in his home country. During the first 4 years here he was a logger. Then he became an oiler in the engine room of the Columbia River lightship, under Capt. Jacob Nielsen, now dead.

#### FISHERMEN LIKE COMPANY

Six years later he passed a civil-service examination for lighthousekeeper and he asked for assignment to Tillamook Rock, because it was closer to his Portland home than was Destruction Island, the other station open. He has been at the rock ever since and he hasn't minded it a bit.

"If the Coast Guard should decide to close up the lighthouse on the rock," he said, "I imagine the fishermen who anchor near it during the summer will miss us. They seem to like the company we afford when there are some men on the rock looking down on them.

"Occasionally big ships steam in fairly close to the rock, apparently to give their crews or passengers a better look at us. None of them go between us and the mainland at Tillamook Head. There is a large 'wash rock' between us and the shore. We call it Half-Mile Rock.

"We see seals, porpoises, whales, or blackfish in the water around us. We seldom do any fishing. It is too difficult to get down to the water, and too dangerous, too. When one man goes down, usually another goes down with him, with a rope tied between them."

The crew has a TV set in the station and it gets its best signals from Tacoma and Seattle stations. Portland stations are blanked out by the towering Tillamook Head.

#### WEATHER SOMETIMES ROUGH

"We have some pretty rough weather out there. One of the worst storms was January 15 and 16 when heavy swells crashed against the rock for 36 hours, loosening up rocks and throwing them with the spray up against the lighthouse building, more than 100 feet above the ocean. It left some dents in the tower lantern roof and some leaks in the engine room. Some old cracks were opened up in the 2-story, 7-room building, even where the walls are 3 feet thick and built of native stone brought from Clackamas, Oreg. No windows were broken because they are portholes and are covered with steel shutters during storms."

#### REFERENCES TO HEALTH OF PRESIDENTS OF THE UNITED STATES

Mr. NEUBERGER. Mr. President, I ask unanimous consent to proceed for not more than 4 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. NEUBERGER. Mr. President, exactly 1 week ago the following paragraph appeared in a news story by Mr. Jack Bell, political reporter for the Associated Press, as printed in the Washington Post and Times Herald of February 17, 1956. Quoting the junior Senator from Nebraska [Mr. CURTIS] on the question of whether President Eisenhower's health might become an issue in this year's election, the article stated:

CURTIS said Republicans could meet the issue by citing the medical record. He said there would be none of the deception he contended the Democrats practiced in 1944 "when they propped up a corpse and ran Mr. Roosevelt for reelection."

Those are quotes in the Associated Press story, Mr. President—"when they propped up a corpse and ran Mr. Roose-

velt for reelection." The quotation is attributed to the senior Senator from Nebraska.

When I read it, I was incredulous. I have delayed a full week in making reference to it, because I hoped the junior Senator from Nebraska had been misquoted, although Mr. Bell is an experienced and capable reporter.

Yet there apparently has been no correction, Mr. President, and so far as I have seen, there has been no public criticism of this remark.

Mr. President, a few weeks ago one sentence was wrenched from the context of the newsletter I send home to Oregon and made the basis of considerable criticism of me. The newsletter, which merely expressed apprehension that in the heat of political campaign the President's health might be disregarded, was entirely friendly and respectful toward President Eisenhower; yet I was severely criticized, and much shock was professed on the opposite side of the aisle.

I have heard no shock expressed over the statement that the Democrats "propped up a corpse and ran Mr. Roosevelt for reelection."

I have waited a week in vain for comment from those who pretend to such solicitude for the respect due to our Presidents—past as well as present.

Mr. President, I am expressing shock right now, and amazement, too, at the deafening silence that has greeted the quotation that "the Democrats propped up a corpse and ran Mr. Roosevelt for reelection."

Of course, Mr. President, Franklin D. Roosevelt's place in history is secure. A whole generation of Americans remember that President Roosevelt came into office at the height of the most terrible depression in American history. They remember that President Roosevelt instituted, with boldness and imagination, measures to save his countrymen from want and destitution; that he restored our confidence in a better future for all Americans and our faith in the attainment of that better future by democratic, American processes of popular government.

Millions of Americans who fought for the victory of our Nation and the free world against the forces of tyranny and oppression in World War II have not forgotten the leadership of President Roosevelt in that historic contest. Those who cast their votes for his reelection in 1944, while in the armed services, remember the stirring addresses and messages of that year in which President Roosevelt eloquently expressed the meaning and the goals of the fight for freedom in which we were engaged and are still engaged.

The people of America voted on this unsurpassed record in peace and in war when they reelected President Roosevelt in November 1944. Yet it is said by a Member of the United States Senate that the American people elected a "corpse" when they voted for Franklin Roosevelt in 1944.

It may have been, from the standpoint of his own health, that Mr. Roosevelt should not have run for a fourth term. As I said on the floor of the Senate last

January 27, for the sake of his health I believe that my party may have made a mistake when President Roosevelt was encouraged to run in 1944—even though he had not, to my knowledge, then had any clear warning as to his health. But President Roosevelt was brave and valiant, as other Presidents have been brave and valiant, and he felt that the Nation had a great victory to complete and a peace to win.

The American people honored President Roosevelt's sacrifice of his life to this great cause. Now, when he cannot reply from the grave a Member of the Senate declares that President Roosevelt's party—my party—"propped up a corpse and ran Mr. Roosevelt for reelection."

The quotation is an insult to the memory of a great President, to the American people, and to the Democratic Party.

I deplore the quotation. I have waited a full week for somebody else to deplore it.

#### LAG IN BOMBER PRODUCTION

Mr. SYMINGTON. Mr. President, the lead editorial entitled "Behind in Bombers" in this morning's Washington Post and Times Herald says in part:

##### BEHIND IN BOMBERS

Whatever else has come out of all the discussion about ballistic and guided missiles, one sobering fact has emerged. The production of American B-52 jet bombers is running at a rate of only 17 a month. At this rate it will be years before the now antiquated B-36's in the Strategic Air Command can be replaced. Estimates indicate that production of the comparable but more recently developed Soviet Bison bomber is substantially greater than that of the B-52. The question is whether considerations of budget balancing have induced the administration to take a dangerous chance. If more money for the Air Force would produce more B-52's faster, we think it ought to be granted. It is encouraging to see Members of Congress in both parties taking this view.

Mr. President, I have not always agreed with the editorial policy of this great American newspaper; but I have always respected its integrity and patriotism.

It is because of this fact I was shocked and saddened to read that statement about B-52 bomber production, because I know they would not have published it unless they had first checked and thought they were publishing the truth.

Mr. President, this country is making nothing like 17 B-52 jet bombers a month, and under present schedules will not make anything like that quantity for a great many months to come.

At lunch today, in a public address, one of the ranking Members of the House of Representatives expressed his distress at reading the figure in this editorial, adding that his best information was that no more than four per month were being produced.

Mr. President, why does this administration continue to mislead the people with respect to our bomber production and our relative military strength as against that of the Communists?

If that production is something they should be proud of, if it takes into consideration the Communist threat, why all the reluctance to tell the people the



truth, and above all, why put out all this misleading information?

We Americans are now being forced to bow down to a policy of secrecy, never explained, never justified.

Those who demand that this policy be reversed are often criticized and sometimes ridiculed.

Mr. President, no secret government has ever remained free.

#### AGRICULTURAL ACT OF 1956

The PRESIDENT pro tempore. If there be no further morning business, morning business is concluded, and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

|           |                 |              |
|-----------|-----------------|--------------|
| Aiken     | Hickenlooper    | McClellan    |
| Barkley   | Hill            | McNamara     |
| Beall     | Ives            | Mundt        |
| Bender    | Jenner          | Murray       |
| Butler    | Johnson, Tex.   | Neuberger    |
| Eastland  | Johnston, S. C. | Saltonstall  |
| Ellender  | Knowland        | Smith, N. J. |
| Flanders  | Langer          | Sparkman     |
| George    | Lehman          | Stennis      |
| Goldwater | Magnuson        | Watkins      |
| Green     | Mansfield       | Wiley        |
| Hayden    | Martin, Pa.     |              |

Mr. JOHNSON of Texas. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from West Virginia [Mr. NEELY], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from West Virginia [Mr. KILGORE] and the Senator from North Carolina [Mr. SCOTT] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent by leave of the Senate because of a death in his family.

The Senator from Utah [Mr. BENNETT] is absent in order to attend the funeral of a friend.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. ANDERSON, Mr. BIBLE, Mr. BUSH, Mr.

BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CLEMENTS, Mr. COTTON, Mr. CURTIS, Mr. DANIEL, Mr. DIRKSEN, Mr. DUFF, Mr. DWORSHAK, Mr. ERVIN, Mr. FREAR, Mr. FULBRIGHT, Mr. GORE, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. KERR, Mr. KUCHEL, Mr. LONG, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MCCARTHY, Mr. MONRONEY, Mr. MORSE, Mr. O'MAHONEY, Mr. PAYNE, Mr. POTTER, Mr. ROBERTSON, Mr. RUSSELL, Mr. SCHOEPPPEL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SYMINGTON, Mr. THURMOND, Mr. THYE, Mr. WELKER, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. AIKEN. Mr. President, the Senate is at present engaged in discussing very important proposed legislation which is intended to improve the position of agriculture in our country. It may seem unusual to some persons that it is necessary to pass agricultural legislation every year or two; but the fact is that none of us can look into the future and be certain what agricultural conditions will be in the years ahead, and what improved farming methods may bring about.

Right now American agriculture is undergoing a revolution which makes the industrial revolution of almost a century ago look like a slow-motion picture. There have been so many technological improvements in agricultural methods, so many changes, and so much mechanization that it is very difficult for many farmers to keep up with the progress which is being made, and some farmers are getting trampled upon in spite of their efforts to keep pace.

I would not say, as some persons do, that we are in a farm crisis at this time. We are in a farm squeeze. We are still nowhere near a crisis. I hope we will never approach a crisis such as we have known in past years. The average number of farm foreclosures, which ran about 110,000 a year between 1932 and 1942, has been only about 7,000 a year for the past 10 years; and even this year will be the 11th year in succession when there will be a very low level of farm foreclosures. The farm population, in spite of the fact that they are not sharing equitably in the unprecedented national prosperity, are holding up well their end in the purchase of savings bonds and life insurance and in making savings banks deposits.

I point these things out simply to show that while we are in a farm squeeze, we are not in a farm crisis, and we are now undertaking to legislate so that we will not approach a crisis stage.

I think it might be well to consider for a moment the general agricultural situation. The number of farmers has been decreasing over the years. A century ago almost 80 percent of our people were engaged in agriculture. That number has now dropped. Fourteen percent of our population now are living on farms; and of that number, about 10 percent are producing approximately 90 percent of the food and fiber marketed in this country.

The number of farm families has been reduced over the decades until at present roughly 5 million families live on farms. Of that number, about 1½ million are mainly residential families; that is, they depend on off-farm income for their living. About 1½ million families are still living on farms which are yielding an average income of about \$1,000 a year; and those 1½ million families are finding it very difficult, indeed, to get along in the world and live on anywhere near a decent standard.

There are about 2 million farms which are called commercial farms. They produce about 90 percent of all the food and fiber this country needs, besides growing substantial production for export. Those farmers are the ones who are revolutionizing the farm processes. It is said today that whether a man succeeds in farming or not depends fully as much upon his facilities, his buildings, and his equipment as upon the land itself. Farmers generally throughout the country know how to treat and improve the land. They can restore wornout land over a period of 2 or 3 years. But the farmer cannot expect to succeed if his buildings and equipment are not adapted to the purpose; and in an effort to modernize his farm plant, he has had to borrow money heavily.

When a farmer wants to increase his production or improve his efficiency these days, instead of going to an employment agency, he goes to a credit agency. Farm production has been increased more than 40 percent over a period of only a few years, with the same number of persons working on the farms. The consequence has been that farm indebtedness has increased during the past few years. Fortunately, however, it has not been increasing as fast as the farm assets have been.

One reason why farm indebtedness has increased during the last 2 years is that insurance companies and farm-credit agencies have increased the appraisal values of the land, and also because they are lending 40 percent of the value of the farm, instead of 30 percent as was the case only 2 or 3 years ago. This in itself furnishes considerably more capital for the farmer than he had available in previous years. Also, the farmer has available for purchase today equipment which was not available only a few short years ago.

So the commercial farmers are becoming more efficient every year. Our farmers are becoming more expert in their line of business each year. The long-range future for the commercial farmer looks very good, especially as the numbers of farmers become smaller. The numbers could be reduced too rapidly; but I think we should face the fact that in the future there will probably be fewer commercial farmers than there are today.

Still, despite his efforts to conduct his operations more efficiently and to convert to modern methods of farming, the farmer today is not getting his fair share of the unprecedented national prosperity; similarly, the spread of the price be-



tween the farmer and the consumer is not being narrowed; if anything, it is being widened. It is in an effort to correct this situation and to make certain that the farmer gets a greater share of the national income, or more nearly his proper share of it, that farm programs are presented to Congress session after session.

In 1954 much legislation was enacted which was aimed at improving farm conditions. While we have been trying to improve the conditions of the farmer, we have also been trying to preserve and improve the natural resources of the Nation for the benefit of those who will come after us. In 1954 Congress enacted the Watershed Act and extended the Water Facilities Act to the entire country. We provided for a more rapid writeoff, for tax purposes, of buildings and equipment. Provision was made so that permanent soil conservation practices could be charged as an annual crop expense, rather than to be placed on the capital increase side of the ledger. Rapid writeoffs for tax purposes were provided for farm grain storage.

When we did all those things, we reduced, on paper at least, the net income of the American farmer.

The most expensive item in running a farm today is the depreciation and the operation of farm equipment. When we halve the time in which a farmer may write off the value of new farm equipment or new buildings, the deduction comes out of gross farm income, and makes net income look considerably smaller than it would have been had Congress not provided such tax benefits for the farmers.

In 1954 Congress enacted the Agricultural Trade Development and Assistance Act. In 1954 the agricultural attachés were transferred from the State Department back to the Department of Agriculture, where they belonged. Agricultural attachés are being selected because of their knowledge of farm operations and of farm marketing, and nearly all of them have been appointed for duty in foreign countries with which we do business at this time.

We have been improving foreign trade somewhat, under Public Law 480, and the prospects are that we can make still further progress in developing markets for American farm commodities in areas where markets did not exist before.

In an attempt to improve the situation of the woolgrower, Congress passed the Wool Act of 1954. That was a short-term measure, and so far it has not increased the production of wool materially. I think it still has possibilities.

There are those who say, "Well, you are simply applying the old Brannan plan to wool. Why not apply it to other commodities, too? What is the difference?"

The difference is that American production of wool is about one-third of the amount we consume, while other commodities are in surplus production. There is quite a difference between creating incentive prices for a deficit commodity and creating incentive prices for a surplus commodity.

One other important matter which was acted upon by the Congress in 1954, and which has contributed to the squeeze on farm families today, was the inclusion of the farm population under the Social Security Act. We may say, "That is putting money in the bank." Nevertheless, when there is imposed an additional tax, such as the social security tax, it comes out of the money which farmers would be free to spend for other purposes.

There are many other expenses which farm families have today which were unnecessary some time ago. Farmers have to pay hospital insurance and automobile insurance. Nowadays the children of farmers have their teeth cared for and their eyesight corrected, just as the children of other people do. That has increased the cost of living on the farm. I am glad the farm families are now enjoying a living which is comparable to that enjoyed by other segments of our society.

We have been legislating for farmers over the years, and today I think we have the best foundation we have ever had upon which to build a farm program. Yet there is a need for doing still more. The disparity between the incomes of farm people and those of nonfarm people is altogether too wide. I know that benefits flow to those living on a farm which do not accrue to those living in towns and cities. At least, I think there are such benefits. Nevertheless, when nonfarm families have a per capita income at least twice that of farm families, that is not at all equitable.

It was recognition of that situation which prompted President Eisenhower a few weeks ago to send to the Congress a special message on agriculture. He made nine points in his message. I shall enumerate them for the RECORD.

First, President Eisenhower recommended a soil bank, which is incorporated in the proposal now before the Senate.

The President recommended improved methods of surplus disposal.

He would strengthen our commodity programs.

He suggested that Congress consider putting a limit on the amount which could be granted to any one farm in the way of price supports.

He asked again, as he did a year ago, that Congress give him the tools with which to promote a rural development program, so that the million and a half families living on less than \$1,000 a year might have a better chance in life.

He referred to the Great Plains program, which will be a cooperative one with the States, but which will also benefit from the measure now pending before the Senate.

He indicated he would ask for a one-third increase in the amount of funds available for agricultural research, with special emphasis to be put upon the marketing problem, in an effort to narrow the spread between the farmer and the consumer.

He recommended strengthening our farm credit programs.

He also recommended deleting the tax on gasoline used on the farm for purely agricultural purposes.

The legislative proposal now before the Senate contains a great many beneficial provisions. Probably the one attracting the most attention is the one providing for the soil bank. There have been many varieties of soil banks suggested to the Committee on Agriculture and Forestry of the Senate and to the Congress itself.

I think in working out the soil-bank plan which is written into the bill now before the Senate, the committee has done very well. Perhaps it is not a perfect job. No doubt there are those who expect too much from a soil-bank program. There are no doubt others who will not realize the great benefits to be derived from it.

The purposes of a soil bank are three.

First, it will reduce the surpluses of crops under mandatory price supports, which are now bothering us in this country.

The next purpose of the soil-bank program is to prevent the millions of acres taken out of the production of mandatorily supported crops from being devoted to the production of nonsupported crops, thus breaking the price on the market of those crops which are, in a sense, innocent bystanders, and which have not benefited from the mandatory supports which apply to the basic commodities.

The third purpose, one which we are likely to lose sight of in our short-range desire to increase farm prices and income as quickly as possible, is that the soil-bank proposes to retire land into a conservation reserve, to get some of the less productive land out of production of cultivated crops and turn it to the production of forest trees or turn it into wildlife preserves which will benefit all the people of the Nation. I think we should put greater emphasis on the conservation and recreational byproducts of the soil-bank program. They appeal to all the people whether they live on farms or not.

The soil-bank proposal as written would permit some small marginal farms to be taken out of production altogether, and the owners of such farms would be enabled to take other jobs which would pay them enough so that they could make a better living, and at the same time be sure of some income from the marginal lands from which they have been trying to make a livelihood.

The bill now before the Senate contains very strong forestry provisions. It provides that land taken out of production and put into a conservation reserve may be reforested, with the help of the Government, and reasonable payments will be made on that land for a period of not exceeding 15 years, so there will be no temptation to plow the land up and return it prematurely to the production of crops.

The bill also contains provisions whereby the Federal Government may cooperate with the States on general reforestation programs on about the same basis as that on which the Federal Government now is authorized to cooperate with the States on soil-conserva-



tion and water-conservation payments.

All in all, the forestry provisions of the bill are very strong, indeed.

We had a little difficulty determining the type of cropland which would be made eligible for the conservation reserve. Of course, the acreage reserve is available to the producers of crops which have allotments. Finally, I think we arrived at the proper wording for this provision of the bill, which was discussed yesterday on the floor of the Senate. The provision we finally worked out was that the land which is eligible to participate in the conservation-reserve program must be land on the farm, generally used in rotation, regardless of whether it was planted this year in corn or in oats, or in hay or in clover.

One provision of the bill which I believe will be of considerable help, particularly to the North Central States, is that which relates to the commercial wheat area, taking 11 States out of the commercial wheat area and putting them in the noncommercial area. I have not received any protests so far from the States affected, and I think most of the growers in those States will be delighted to have their States taken out of the compulsory control programs, and allowed to proceed on their own.

As I have said, the bill will bring about no utopia.

I have not yet commented on all the provisions of the bill. However, some of the provisions are not good, and will tend to nullify the good provisions of the bill. For instance, let me refer to the provision that the parity for specified crops will be the higher of that produced by the old parity formula or the new parity formula. That is called the dual-parity plan. It is not good. Certainly, if we use the formula for each commodity which is most favorable to it, it will be only a question of time before the parity concept will be entirely worthless as a concept for measuring agricultural prosperity or for determining the price relationship between the various agricultural commodities.

The parity formula is intended to be used to determine the proper price relationship between farm commodities. All of them together, of course, add up to 100. But the provision of the bill which I think would completely nullify all the good provisions of the bill—

Mr. ELLENDER. Mr. President, will the Senator from Vermont yield to me?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AIKEN. I yield.

Mr. ELLENDER. The Senator from Vermont was a member of the Committee on Agriculture and Forestry when the so-called modernized parity formula was placed on the statute books, was he not?

Mr. AIKEN. I was.

Mr. ELLENDER. The Senator from Vermont recalls, does he not, that those who advocated that formula contended that within 3 or 4 years parity prices for the basic commodities under the modernized parity formula would catch up with those under the old parity formula?

Mr. AIKEN. That is correct.

Mr. ELLENDER. And the Senator from Vermont also remembers, does he not, that I was instrumental in submitting an amendment which kept the old formula in effect until such time as the modernized formula could catch up with the old formula? I refer to so-called dual parity.

Mr. ELLENDER. I believe the amendment provided that dual parity would prevail for 2 years.

Mr. ELLENDER. No; for 4 years.

Mr. AIKEN. Yes; 4 years.

Mr. ELLENDER. And does not the Senator from Vermont remember before the end of that 4-year period the committee again took up the matter; and because the modernized parity formula had not caught up with the old formula, Congress renewed the dual parity formula for 2 more years, and that period expired on December 31 of last year. Does not the Senator from Vermont remember that?

Mr. AIKEN. It was renewed—

Mr. ELLENDER. It was extended.

Mr. AIKEN. That was done because those who were benefiting from the much higher prices brought about by use of the old formula, had the votes to renew or extend that arrangement. That renewal or extension was made for that reason, and not because it should have been made.

Mr. ELLENDER. But those who advocated the modernized parity formula said it would soon catch up with the old formula, and we extended the dual parity formula for 4 years, and subsequently for 2 years more in order to permit it to do so.

The reason why we are now asking for another extension of dual parity is that the proponents of the modernized parity formula are still in error; it has still not caught up with old parity.

Mr. AIKEN. If the Senator from Louisiana will permit me to continue with my statement, perhaps I may provide an answer to his question.

I say that the dual parity formula was extended because those who benefited from it had the votes required to extend it, and not because the extension should have been made at that time.

I may say that many of the predictions of the advocates of the new parity formula have come true. For instance, today there is only a fraction of a cent difference between the parity price of cotton under the old parity formula and the parity price of cotton under the new parity formula.

Mr. ELLENDER. It is about four-tenths of 1 cent.

Mr. AIKEN. The new parity formula resulted in better prices for the protein foods and dairy products.

Mr. ELLENDER. That is correct.

Mr. AIKEN. And also in the case of milk, hogs, beef, and the commodities for the production of which a great deal of hand labor is required. The modernized parity formula did somewhat reduce prices in the case of commodities, the production of which had become almost completely mechanized.

Mr. ELLENDER. I am sure the Senator from Vermont will concede that those who felt that the modernized parity formula would not do justice to the basics

were agreeable to letting the old formula continue for 4 years; is not that true? I do not recall that the Senator from Vermont himself opposed it.

Mr. AIKEN. I do not recall the circumstances. As I recall, there was a period when the market price was so much higher than the support price that it did not matter what the parity formula was. As a matter of fact, there were 2 years when flexible supports were in effect in the United States, although the public never knew it.

Mr. ELLENDER. That was during the war.

Mr. AIKEN. Yes; that was because of the war.

Mr. ELLENDER. Ninety percent or even 100 percent would not have done any good then, because those commodities were then selling much above the parity price.

But since my distinguished friend, the Senator from Vermont, has been discussing the dual parity formula provisions of the bill, I wish he would state whether or not it is true that the modernized formula has not made it possible for the producers of wheat, for example, to obtain a fair support level in contrast to what they would have obtained under the old formula.

Mr. AIKEN. There is a question in the minds of many persons as to whether \$2.50 a bushel is not a higher price than the price wheat would normally be entitled to have; and that price is about the price the old parity formula would have resulted in.

Mr. ELLENDER. Does the Senator from Vermont mean to say that the farmers object to receiving that price?

Mr. AIKEN. No; but when one farm commodity receives more than its share, that causes a reduction in the share of the others, because altogether they add up to 100.

I agree with the Senator from Louisiana that the parity formula today is not an accurate yardstick; it favors some commodities, and I do not think it does any more than justice to others.

Mr. ELLENDER. Will the Senator from Vermont tell us, for the record, what difference it would make in the price of wheat for 1956, let us say, if the old formula were used, in contrast to the modernized parity formula?

Mr. AIKEN. I hear there would be a difference of 44 cents.

Mr. ELLENDER. In other words, if the modernized parity formula is used this year the wheat farmer would get 44 cents a bushel less?

Mr. AIKEN. I did not think that was the question.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New Mexico.

Mr. ANDERSON. I was only trying to trace the difference between the provisions of this bill and what might happen without the bill. If we had 75 or 76 percent of parity on the present basis, the price would run, I believe, to \$1.81 a bushel, or something of that nature. If we have a provision which strikes out the modernized parity formula and supports wheat up to 90 percent, it comes to something like \$2.25. That is where the



44 cents difference comes in. The difference, because of modernization of parity, is only 13 or 14 cents a bushel this year, since use of a transitional parity price limits the amount of change per year.

Mr. ELLENDER. Would the Senator state that if this bill were enacted as written, the wheat farmer, for 1956, would receive 44 cents a bushel more than otherwise?

Mr. AIKEN. No. I do not think the wheat farmers would get it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield very briefly.

Mr. THYE. On page 7 of the report, under "Wheat," it will be found that the new parity price is \$2.19. The old parity price was \$2.51. If we subtract \$2.19 from \$2.51, the difference, as between the old and the new parity prices, is 32 cents. That is shown on page 7 of the report. The report is meaningless if we do not accept that figure.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I shall be glad to yield in a moment. First, I should like to say that, regardless of what the support level is, it does not mean that the wheat grower gets that price. The highest price the wheat grower received for his wheat was in 1947, when he got \$2.29 a bushel, on the average; in 1948, \$1.99; in 1949, \$1.88; in 1950, \$2; in 1951, \$2.11; in 1952, \$2.09; in 1953, \$2.04; in 1954, \$2.12; and in 1955, \$1.99. In every one of those years the support price was far above what the farmer actually received for his wheat. The support level does not mean that the farmer receives that price.

Mr. ELLENDER. May I suggest to my good friend—

Mr. AIKEN. I agree with the Senator that under the old parity formula the parity price of wheat, and consequently the minimum support price for wheat, would be about 13 cents a bushel more than it would under the transitional parity formula.

Mr. ELLENDER. As the Senator knows, the announced support price for wheat, for this year's crop, is \$1.81 per bushel, which is 76 percent of transitional parity.

Mr. AIKEN. That is correct.

Mr. ELLENDER. If this bill becomes law, the support price for wheat will be \$2.26 a bushel, or 45 cents more than the announced price. That is shown on page 3 of the report.

Mr. AIKEN. That means that the parity price for wheat would be \$2.50-odd a bushel?

Mr. ELLENDER. Yes, and it would mean that 90 percent of parity on wheat would assure the farmer of a support price of \$2.26 per bushel instead of \$1.81.

Mr. AIKEN. We are driving the wheat off the market rapidly at the present price. I would not want to encourage much more of that sort of thing.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. To clear the RECORD, it will be noted, on page 7 of the report, that the modernized parity formula would set the wheat parity price at \$2.19,

whereas the dual formula would set it at \$2.51.

Mr. AIKEN. That is correct.

Mr. President, as I started to say, the most harmful provision in the pending bill is the provision which provides for a return to the rigid, 90 percent of parity price supports.

Altogether too much emphasis is placed upon price supports as a means for maintaining a prosperous agriculture.

It has yet to be demonstrated that price supports alone will go very far toward taking the farmer out of the doldrums.

We have not as yet found any way of communicating minimum price supports to the farmer as a group.

The figures which I read a few moments ago show conclusively that, regardless of the support price for wheat, it does not mean that the farmer gets anywhere near that price. In 1953 wheat was supported at 90 percent of parity, and the farmer received 81 or 82 percent, instead of 90 percent.

We are not likely to do so unless we nationalize the processing, transportation, and distribution systems of this country—and even then it is doubtful that the farmer would receive his full share except as he may organize, stand on his own feet, and carry enough influence with Government possibly to control it.

The time has not come yet when we want to nationalize the industry of America.

The proponents of section 101 of the bill before us contend that a restoration of high rigid supports would make the farmers of America prosperous and happy. This line of reasoning is completely fallacious. High rigid supports never have brought prosperity to the American farmer and never will.

High rigid supports are primarily responsible for the difficulties that the American farmer finds himself in today. Look at the chart at the rear of this Chamber. It shows the farm operator's realized net income from 1928 to date. It starts in 1929 from a fairly high level, at least for those days.

The farmer never has received his full share or anywhere near his full share of the national income, and he will not do so until he takes matters into his own hands and stops relying upon Government and Government officials to work out his salvation. This chart shows that income dipped from 1929 to a low point in 1933.

The combination of drought and depression brought the American farmer to bankruptcy in large numbers. One year 223,000 farmers went into bankruptcy. That situation continued until the war year of 1942, when 24,000 farmers went into bankruptcy in America.

Back in 1932 and 1933 the farmer began to get patent medicine from the Government but in spite of 8 years of nostrums, he was still selling 5-cent hogs and 10-cent cotton and 50-cent corn and getting 15 cents an hour for his labor when the year 1940 rolled around.

Eight years of Government panaceas found him almost exactly where he was

in 1932 as far as income was concerned. After 8 years of experimenting, farm prices were almost exactly the same as they were in 1932.

Then, in 1941, farm prices shot up almost perpendicularly. Was it support prices that shot the farmer's income up in 1941-42? No. It was war—cold, merciless, bloody war. Price supports and farm programs had nothing to do with it.

It will be seen from the chart that the farmer's income rose suddenly in 1942 and then dipped. That dip was caused by price ceilings. Government action did affect farm income in that way. The farmer never was permitted to get the income which he naturally would have received had Government not interfered.

When price ceilings were removed after the war farm income shot up again reaching its highest point in 1947. This rise in farm income was brought about because America was pouring millions of tons from her larder into the devastated countries of the old world. The law of supply and demand was responsible for the record income of American farmers in 1947 and early 1948.

And then, in June 1948, the Congress enacted legislation with an amendment which continued 90 percent rigid supports. What happened? Farm prices hit the skids and kept skidding. A major depression was in the making. Ninety percent rigid supports were not stopping it, and not even slowing it up.

Farm income maintained its downward course until June 1950 when it started up again. Did high rigid supports start from income on the way up? Certainly not. Again it was war—cold, merciless foreign war.

To be sure we got high prices for farm commodities as a result of war—\$5 milk, \$6 flaxseed, \$3 wheat, \$30 hogs, \$40 cattle.

For a while the farmer received mighty fine looking checks for his produce, mighty sad looking telegrams starting out with: "The Secretary of the Army has asked me to express his deep regret that your son."

We paid pretty dearly for the high farm prices of those days—broken homes, broken hearts, broken bodies, and broken minds.

Then, in the spring of 1953, the man in the White House put an end to the futile, fruitless furor of war.

Farm income had already started to drop in 1952.

Between August 1952, and January 1953, farm income dropped 9 parity points, the sharpest drop in history.

Even war was not keeping it up this time.

Farm income has continued to drop ever since.

The number of telegrams from the armed services to the farm families of America has dropped also.

Whereas the requirements of war itself had rendered inoperative the high rigid support prices, this high support level did result in an incentive for overproduction after the firing stopped.

When President Eisenhower took office in January 1953, he found the



country committed to a continuation of high rigid supports for 2 years more.

He had promised to carry out the law in this respect, and he did so. But in the meantime warehouses had been filled to overflowing with wartime commodities not needed in peacetime.

Transition to a peacetime agriculture has been delayed, and government today finds itself with almost a \$12 billion investment, mainly in 3 or 4 farm commodities.

Only 2 weeks ago we were advised by the Commodity Credit Corporation that of its \$12 billion borrowing authority only \$600 million was left uncommitted.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I do not wish to lose my trend of thought at this point. It is inevitable that the Commodity Credit Corporation, whether the pending bill is passed or not, will have to come before Congress before July 1 and ask for between \$1 billion and \$3 billion more in additional lending authority.

The producers of the commodities in which the Government has such a huge investment find themselves in real trouble, and the producers of other commodities are the indirect victims of an unwise Government policy.

Let us see what high rigid supports have done for the commodity producers of America over a period of only a few years. Let us consider wheat first.

The wheat grower of the Great Plains has seen millions of acres of his normal production transferred to other States.

He has seen a compulsory reduction of 20 million acres in the planting of wheat.

He has seen nation after nation apply subsidies to the production of wheat in their own countries in order to be self-sufficient and independent of American sources of supply.

The cotton grower has seen the production of synthetic fibers increase year after year until the world today is using the equivalent of 13 million bales of cotton for the production of synthetic textiles.

We have forced the development of synthetic textiles until today they have taken over enough of the cotton markets to equal all the cotton we produce in the United States in a year.

The small cotton grower has seen his allotment cut and cut and cut, until his acreage has been reduced to an uneconomic size, on which he can never expect to support his family in decency.

The cotton grower has seen the American umbrella of rigid support prices induce production in foreign countries in almost direct proportion to the reduction in planting required in the United States.

During the last 4 years, we have forced a reduction of 5 million acres in the land planted to cotton and at the same time other countries have increased their planting by 5 million acres.

Our foreign markets for cotton are almost gone and, if we continue to price American cotton out of the world market, the rest of the world will be completely self-sufficient in another 2 years.

American textile manufacturers have been put at a disadvantage and are now

clamoring for high trade barriers to protect them.

Mr. President, can anyone imagine what high trade barriers imposed at this time would, because of retaliatory action by foreign countries, do to our fruit growers, to our tobacco growers, and to other producers in this country? Nevertheless, the cotton situation is bringing that about.

Cotton production in America has been frozen in uneconomic producing areas simply because the producer is trying to protect his production allotment. Year after year he goes on producing cotton at a cost which is more than the support price because he does not dare give up that allotment so that cotton could be produced in some area where the cost per pound is not so high as it is in his area.

The total production of cotton in the United States has been arbitrarily cut 10 million acres, and in spite of that reduction, surpluses continue to increase.

What have high rigid supports done to the tobacco grower? Because of the nature of this commodity, his prices have been maintained. His allotments, however, have been cut to uneconomic size.

Manufacturers have developed homogenized products which may reduce the demand for certain types of tobacco by as much as 50 percent.

Production of tobacco in foreign countries is rapidly increasing. We cannot control and reduce acreage in other countries. We can produce only uneconomic farms in the United States.

The tobacco capital of the world has been shifted from Wilson, N. C., to Lexington, in Southern Rhodesia, Africa, where tobacco production is increasing, and where the producers are rapidly taking over control of the world market.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. Is it not a fact that both Secretary Benson and President Eisenhower have favored continuing 90 percent of parity price supports for tobacco.

Mr. AIKEN. I believe everybody agreed to that.

Mr. ELLENDER. I know that to be the fact.

Mr. AIKEN. I know that we are all equally to blame. The tobacco grower has fared well under the program. This year he will get a little more than 100 percent of parity. However, he will lose half his market.

Mr. ELLENDER. The Senator knows that tobacco has been used in larger quantities year by year. The real trouble, if there be any, is that the farmers have followed the advice of the Secretary of Agriculture as to how to grow tobacco better; their yields have increased. The Senator knows that to be a fact.

Mr. AIKEN. The Secretary of Agriculture has carried out the instructions of Congress. I will not attempt to state the percentage of tobacco growers who are restricted to a production of six-tenths of 1 acre. No family can live decently by producing tobacco on six-tenths of 1 acre.

Mr. ELLENDER. The family that grows six-tenths of 1 acre of tobacco today is growing more tobacco than it grew on an acre and a quarter only 10 years ago.

Mr. AIKEN. But they are not able to live decently from the tobacco they can raise on six-tenths of an acre.

Mr. THYE. Mr. President, will the Senator yield at this point, inasmuch as his train of thought has been interrupted?

Mr. AIKEN. I yield.

Mr. THYE. The question I desired to ask the Senator a few moments ago was this: How soon does the Senator believe the soil bank will have the effect of reducing the surpluses?

Mr. AIKEN. I think it will have an effect on the surpluses beginning this year.

Mr. THYE. How extensive will the effect of the soil bank be on the reduction of the surpluses?

Mr. AIKEN. If the soil bank can be put into effect quickly enough, the Secretary of Agriculture, as I understand, intends to fix an incentive price which will take out of production 12 million acres of wheat, 3 million acres of cotton, and 5 million acres of corn. That should have a material effect on market prices.

Mr. THYE. How could that reduction be brought about unless there was a plowing down of already existing wheat acreage?

Mr. AIKEN. I think that is provided for. The spring wheat is not yet planted.

Mr. THYE. The spring wheat, however, is produced mostly in the area of the Dakotas, Montana, and in the great Northwest region of the United States, is it not?

Mr. AIKEN. I think the Secretary contemplates that some of the acreage planted to winter wheat can be put into the soil bank next spring if the bill is enacted promptly.

Mr. THYE. But that would require plowing down or clipping before the wheat goes into a headed state, would it not?

Mr. AIKEN. Yes. It would mean that it could not be harvested.

Mr. THYE. In this one calendar year we cannot expect any great accomplishment in the removal of the surpluses from the soil-bank provision of the bill.

Mr. AIKEN. I think we can.

Mr. THYE. What leads me to ask these questions is primarily this: I think the Senator from Vermont will agree with me that the farmer's income is far out of balance with the Nation's very excellent economy in every other field. Business is at an alltime high. It is only the agricultural economy that is low. Therefore, if the surplus does not vanish through the soil-bank provision, is it not to be expected that the reduced corn support and the reduced wheat support, which were earlier discussed by the Senator from Vermont and other Senators, will leave the farm economy very low? Are we not justified in endeavoring to help the farmer by returning to his former supports?

Mr. AIKEN. I know the Senator from Minnesota is very sincere in his thinking.



Mr. THYE. I am never anything but sincere when I speak about agriculture.

Mr. AIKEN. The price supports I noted go back to 1953, 1954, and 1955, but the farmer never did get the support price or anywhere near it.

Mr. THYE. If the Senator from Vermont will yield further, let me ask this question: If a farmer has a thousand bushels of wheat to seal, if he is allowed to seal it at last year's figure, which was \$2.08 a bushel, and in 1956 it will be \$1.81, which of the two price supports will yield him the greatest amount of money?

That is a simple arithmetical question which the average school child could figure out. The difference between \$2.08 in 1955 and \$1.81 in 1956 is 27 cents on a bushel of grain. Any child who can add 4 and 4 or subtract 2 and 2 can arrive at the proper result.

Mr. AIKEN. It is not quite so simple as that.

Mr. THYE. The supports on wheat are mandatorially set this year at \$1.81 a bushel, and last year they were \$2.08 a bushel.

Mr. AIKEN. The farmer did not get it.

Mr. THYE. On corn the support price is down 19 cents a bushel from 1955.

Mr. AIKEN. It is not so easy as that. The Senator is thinking in terms of price support and not in terms of income.

Mr. THYE. We cannot separate the support prices from the income of the farmer.

Mr. AIKEN. I always thought that price times production represented income, and not price alone. The wheat farmers has had to take 20 million acres out of production and, as a result, his income from wheat is much less than the cost of production. That was true last year when he was receiving 90-percent support, because, as he reduces the acreage planted, the cost of producing each bushel rises, because of fixed costs.

Mr. THYE. If the Senator will tolerate another question in connection with his remarks, let me say that it is unfortunate that we did not have soil-bank provisions in the 1954 act. Some of us advocated it. If we had had the soil bank we would be ahead on the course of reducing surpluses. The shrinkage in the farmer's income has increased every single year because of the higher prices he incurs in the purchase of replacement machinery and everything else in connection with farm operation.

I agree with the Senator from Vermont that the objective cannot be accomplished simply with price supports.

I wish to thank the Senator for permitting me to make this statement in connection with his remarks, because I think it is a very pertinent part of the discussion.

Mr. AIKEN. Many of us who were active in passing the act of 1954 contemplated that approximately 30 million acres would be taken out of production. That did not prove to be the case, because the 30 million acres, as I shall point out very shortly, were promptly put into the production of other competitive products.

Mr. CARLSON. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. CARLSON. I do not like to break in on the Senator's statement. First, I wish to say that I have the very highest regard for the distinguished Senator from Vermont and for his familiarity with agricultural problems, and he has been discussing one which is very close not only to Kansas but to the entire wheat-raising section of the Nation. The wheat farmer reduced his production from 78 million acres in 1953 to 55 million acres. It is now anticipated that through the soil bank 12 million more acres will be set aside. I can readily see that in the future the soil bank has some good possibilities, but with reference to the winter-wheat area, I cannot agree with the statement which the Senator from Vermont made, that we may anticipate more plowing up of wheat already planted.

Let me invite the attention of the Senator from Vermont to his statement of a day or two ago, in which he said that it was his understanding, after talking with the Department, that they expect the annual rental will be approximately 10 percent of the value of the land; that if the land is worth \$50 an acre as cropland, the rental will be \$5, and that if it is worth \$100 an acre, the rental will be \$10 an acre.

I am somewhat familiar with the production of winter wheat. We in Kansas grow about one-fourth of the winter wheat which is produced. We have some land which we will assume would sell for \$100 an acre. The production of wheat on such land might well be from 15 to 25 or more bushels an acre. I can assure the Senator that no farmer is going to think of plowing it up—

Mr. AIKEN. The figures which the Senator is quoting from my remarks apply to the conservation reserve and not to the acreage reserve.

Any farmer who would plow up wheat planted last fall would get a much higher price. Under the law, he would get as much as he could normally expect to receive from the production of the crop plus a substantial incentive. He would not be expected to plow up his wheat unless he would get greater cash income by doing so than he would from carrying it through to maturity.

Mr. CARLSON. May I follow this through a little? What the Senator has said clarifies the situation. But let us assume these are conservation acres which a man will set aside, at 10 percent of the value of the land. If the land is worth \$100 an acre, the payment would be \$10. There are many sections in Kansas where farmers summer fallow. Summer fallowed land would not, in my opinion, be set aside on the same basis. I think there are some problems in Kansas which do not confront farmers in the ordinary, small, wheat-producing areas. In Kansas wheat growing is a business in its own right, and some real problems go along with it. I sincerely hope the Senate will give thoughtful consideration to the real problems which exist in the Wheat Belt.

Mr. AIKEN. I think a farmer in the Wheat Belt would not be permitted to set aside so many acres in fallow this year and then plant those acres again next year, use them for some sort of rotation, and get paid for doing so. Undoubtedly he would be required to set aside so many acres and to keep them set aside until it was agreed that he could put them into production again. At that time we shall be finished with the whole soil-bank program and the farm program, and a way may be devised to get wheat production back into the wheat States.

Ninety percent rigid supports were too much of a temptation for the farmers in Illinois, Missouri, New York, Pennsylvania, Delaware, and other Eastern States. When they could produce 30 or 35 bushels of wheat to the acre, with a guaranteed \$2 a bushel, growing wheat resulted in a better income than almost anything else.

As I understand, Cornell University, in New York, made a study of the types of farmers who received the greatest hourly earnings as income. It found that it was the wheatgrower in New York. He stepped in and took Kansas acreage. He produced heavily. As I understand, the farmers actually hired unused farms on which to produce wheat in the Eastern States. I am sure that is so. When the time came to reduce production, those farmers insisted on holding the extra acres which they had been planting, and that acreage cannot go back into Kansas acreage.

Mr. CARLSON. I should like to pursue that further. We in Kansas are not happy about having other States take our wheat acreage. Kansas has cut back its production from 18 million acres in 1953 to 10,800,000 acres. Kansas wheat growers are trying to comply with the program and to keep the price up. If we have a price somewhere near 90 percent of parity, or at parity, it will help us with our acreage reduction.

If it is proposed to take 12 million more acres out of production, and Kansas is to take three or four million acres more, I do not know what will happen to the wheat growers of Kansas. I think they are entitled to some serious consideration.

Mr. AIKEN. Except for special legislation, the wheat growers would not be allowed 55 million acres; they would be getting an allotment of 18,500,000.

Mr. CARLSON. I am certain the Senator did not advocate that we cut wheat production back to 18 million acres. Nevertheless, I agree in general that the Senator's statement is correct.

Mr. AIKEN. On the the basic commodities, Congress by law has set aside the intent of the Triple A Act and has established higher minimum national acreage allotments for those commodities. Higher total acreage minimums have been set for wheat, rice, cotton, and peanuts. Also, it has been necessary to establish a higher minimum for tobacco—six-tenths of an acre for each farm. Everyone knows that a farmer cannot make a living from tobacco produced on such a limited acreage.



Mr. CARLSON. Many of the wheat farmers of Kansas have quit farming. They had quarter sections of land on which they used to grow wheat on 80 or 90 acres. Now their allotment is 30 acres. They cannot operate successfully any longer.

Mr. AIKEN. I believe that if the soil bank program takes effect, the Senator will find that a great deal of wheat acreage will be retired in those States, which have purloined acreage from States, such as Kansas, which are located in the great western Wheat Belt.

Mr. CARLSON. I am happy about the soil bank program, but I think it is a

long-range, slow program, something which will not take effect quickly, this year.

Mr. AIKEN. If it takes effect this year, the farmer will net as much as if he had raised wheat, plus an incentive.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. I think the Senator from Vermont said a while ago that the Eastern States had increased their wheat acreage in recent years. I have before me a table prepared by the staff of the Senate Committee on Agriculture, which shows that the increase in wheat acre-

age during the past 15 years took place west of the Mississippi River, and that most of the Eastern States decreased their production. I wonder if the Senator would care to have the table inserted in the RECORD as a part of his remarks.

Mr. AIKEN. I should be glad to have it in the RECORD. However, the Eastern States have decreased their acreage through cultural methods.

Mr. YOUNG. Mr. President, I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

All wheat: AMS seeded acres, 1941 through 1955

[Thousand acres]

| State                | 1941   | 1942   | 1943   | 1944   | 1945   | 1946   | 1947   | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| North Atlantic:      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| New York             | 305    | 287    | 269    | 349    | 352    | 222    | 385    | 449    | 405    | 417    | 428    | 456    | 479    | 364    | 339    |
| New Jersey           | 74     | 65     | 62     | 75     | 93     | 96     | 107    | 115    | 107    | 109    | 106    | 107    | 107    | 85     | 76     |
| Pennsylvania         | 892    | 818    | 799    | 931    | 959    | 911    | 947    | 985    | 926    | 889    | 862    | 871    | 884    | 743    | 669    |
| North Central:       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Ohio                 | 1,953  | 1,704  | 1,602  | 1,937  | 2,150  | 1,849  | 2,212  | 2,377  | 2,377  | 2,172  | 2,085  | 2,273  | 2,409  | 1,783  | 1,542  |
| Indiana              | 1,489  | 1,207  | 1,003  | 1,292  | 1,587  | 1,383  | 1,603  | 1,811  | 1,739  | 1,621  | 1,621  | 1,556  | 1,665  | 1,315  | 1,184  |
| Illinois             | 1,797  | 1,170  | 1,214  | 1,334  | 1,400  | 1,289  | 1,431  | 1,745  | 1,952  | 1,562  | 1,859  | 1,883  | 2,165  | 1,624  | 1,608  |
| Michigan             | 753    | 692    | 691    | 949    | 992    | 877    | 1,210  | 1,416  | 1,303  | 1,173  | 1,243  | 1,438  | 1,524  | 1,036  | 953    |
| Wisconsin            | 82     | 80     | 71     | 69     | 61     | 95     | 118    | 127    | 117    | 90     | 82     | 76     | 72     | 61     | 52     |
| Minnesota            | 1,523  | 1,156  | 1,162  | 1,325  | 1,109  | 1,412  | 1,200  | 1,088  | 1,304  | 977    | 1,098  | 1,190  | 1,056  | 735    | 636    |
| Iowa                 | 320    | 182    | 152    | 149    | 168    | 192    | 220    | 340    | 411    | 264    | 254    | 178    | 152    | 130    | 109    |
| Missouri             | 1,856  | 845    | 1,217  | 1,472  | 1,428  | 1,314  | 1,472  | 1,722  | 1,825  | 1,661  | 1,727  | 1,520  | 1,702  | 1,583  | 1,805  |
| North Dakota         | 8,353  | 7,478  | 8,620  | 10,107 | 10,005 | 10,444 | 10,407 | 9,933  | 11,055 | 9,145  | 10,718 | 10,672 | 10,333 | 8,239  | 7,390  |
| South Dakota         | 3,066  | 2,730  | 3,154  | 3,254  | 3,355  | 3,755  | 3,858  | 4,022  | 4,359  | 3,562  | 4,001  | 4,051  | 3,818  | 2,806  | 2,514  |
| Nebraska             | 3,511  | 3,024  | 3,113  | 3,585  | 3,777  | 4,037  | 4,608  | 4,674  | 5,018  | 4,346  | 4,673  | 4,613  | 4,471  | 3,745  | 3,479  |
| Kansas               | 13,091 | 10,861 | 10,741 | 13,210 | 14,148 | 14,006 | 15,404 | 14,634 | 16,244 | 13,807 | 14,773 | 15,068 | 14,315 | 11,738 | 10,799 |
| South Atlantic:      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Delaware             | 68     | 63     | 59     | 68     | 73     | 68     | 70     | 71     | 66     | 64     | 61     | 61     | 54     | 37     | 35     |
| Maryland             | 367    | 323    | 304    | 395    | 391    | 376    | 368    | 361    | 343    | 292    | 283    | 283    | 269    | 210    | 193    |
| Virginia             | 560    | 476    | 466    | 539    | 534    | 459    | 496    | 481    | 438    | 407    | 383    | 379    | 393    | 310    | 279    |
| West Virginia        | 130    | 117    | 99     | 102    | 100    | 90     | 96     | 96     | 82     | 79     | 74     | 70     | 67     | 57     | 48     |
| North Carolina       | 506    | 544    | 511    | 567    | 448    | 394    | 492    | 408    | 465    | 395    | 427    | 440    | 449    | 377    | 366    |
| South Carolina       | 252    | 311    | 245    | 262    | 202    | 160    | 238    | 217    | 174    | 146    | 166    | 189    | 215    | 168    | 173    |
| Georgia              | 204    | 257    | 200    | 228    | 198    | 141    | 198    | 178    | 140    | 118    | 105    | 140    | 173    | 121    | 106    |
| Florida              |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| South Central:       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Kentucky             | 441    | 432    | 367    | 496    | 516    | 392    | 404    | 420    | 403    | 359    | 323    | 326    | 421    | 316    | 291    |
| Tennessee            | 372    | 353    | 328    | 423    | 381    | 276    | 332    | 355    | 301    | 266    | 213    | 245    | 353    | 261    | 243    |
| Alabama              | 9      | 18     | 18     | 25     | 24     | 15     | 14     | 15     | 13     | 13     | 8      | 14     | 26     | 30     | 88     |
| Mississippi          | 14     | 12     | 12     | 25     | 25     | 16     | 20     | 16     | 15     | 9      | 7      | 18     | 66     | 45     | 32     |
| Arkansas             | 41     | 31     | 25     | 65     | 65     | 44     | 38     | 40     | 34     | 31     | 27     | 43     | 115    | 84     | 96     |
| Louisiana            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Oklahoma             | 4,983  | 4,086  | 4,086  | 5,557  | 6,335  | 6,715  | 7,051  | 7,263  | 7,481  | 5,910  | 6,265  | 6,450  | 6,966  | 5,294  | 4,923  |
| Texas                | 4,372  | 3,935  | 4,092  | 4,951  | 5,842  | 6,835  | 7,587  | 6,752  | 7,090  | 5,601  | 6,049  | 5,384  | 5,438  | 4,840  | 4,356  |
| Western:             |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Montana              | 3,820  | 3,373  | 4,147  | 4,507  | 4,147  | 4,426  | 5,183  | 5,201  | 5,975  | 5,283  | 6,274  | 6,230  | 6,185  | 4,962  | 4,761  |
| Idaho                | 1,050  | 876    | 936    | 1,137  | 1,156  | 1,324  | 1,388  | 1,523  | 1,597  | 1,382  | 1,601  | 1,702  | 1,836  | 1,288  | 1,261  |
| Wyoming              | 254    | 244    | 270    | 282    | 286    | 301    | 347    | 384    | 392    | 368    | 422    | 453    | 471    | 355    | 333    |
| Colorado             | 1,551  | 1,374  | 1,493  | 1,658  | 1,850  | 2,244  | 2,903  | 3,186  | 3,552  | 3,226  | 3,676  | 3,836  | 4,003  | 3,204  | 3,282  |
| New Mexico           | 375    | 388    | 415    | 463    | 452    | 542    | 740    | 682    | 618    | 584    | 725    | 649    | 631    | 528    | 460    |
| Arizona              | 32     | 25     | 25     | 26     | 27     | 29     | 30     | 29     | 30     | 30     | 26     | 25     | 25     | 18     | 44     |
| Utah                 | 276    | 236    | 232    | 298    | 286    | 335    | 375    | 431    | 441    | 428    | 462    | 464    | 464    | 370    | 369    |
| Nevada               | 16     | 14     | 16     | 16     | 18     | 19     | 21     | 21     | 20     | 19     | 19     | 20     | 19     | 14     | 9      |
| Washington           | 2,203  | 1,857  | 2,455  | 2,485  | 2,667  | 2,769  | 2,922  | 2,959  | 3,139  | 2,789  | 3,103  | 3,046  | 3,102  | 2,285  | 2,074  |
| Oregon               | 876    | 769    | 814    | 980    | 970    | 1,050  | 1,063  | 1,100  | 1,214  | 997    | 1,144  | 1,215  | 1,270  | 928    | 876    |
| California           | 868    | 585    | 497    | 596    | 614    | 675    | 756    | 718    | 740    | 696    | 675    | 703    | 626    | 480    | 431    |
| United States, total | 62,705 | 52,998 | 55,982 | 66,189 | 69,191 | 71,577 | 78,314 | 78,345 | 83,905 | 71,287 | 78,048 | 78,337 | 78,789 | 62,569 | 58,284 |

Mr. YOUNG. Mr. President, New York, in 1941, had 305,000 acres planted in wheat. In 1955 the acreage planted in wheat was 339,000. That is a small increase.

New Jersey, in 1941, had 74,000 acres planted in wheat; in 1955, 76,000 acres, or about the same acreage.

Ohio, in 1941, had 1,953,000 acres planted in wheat; in 1955, 1,542,000 acres.

The wheat acreage in Indiana and Illinois decreased between 1941 and 1955. They are major wheat-producing States.

Mr. AIKEN. What were the years?

Mr. YOUNG. From 1941 to 1955—last year.

Mr. AIKEN. In 1941 wheat was selling for 5 cents a bushel for rubber production.

I think Michigan has shown a great increase, and over the years Illinois and

Missouri have shown an increase. It is true that Missouri is west of the Mississippi River. I think Virginia and the Carolinas have shown increases. While the increases in the case of any particular State may not be large in the aggregate, they are large.

Mr. YOUNG. The wheat acreage in Delaware, Maryland, and Virginia decreased. The increase in wheat production has occurred west of the Mississippi River.

Mr. AIKEN. In what years?

Mr. YOUNG. In any year the Senator may choose. The period covered by the table is from 1941 to 1955. The table was prepared by the Senate Committee on Agriculture and Forestry.

Mr. AIKEN. Whether they have increased or decreased, the question is whether the decrease has been sufficient

to put the production back into the wheat States.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CAPEHART. Does the Senator from Vermont remember what the parity percentage was in, say, the 1930's and the 1940's?

Mr. AIKEN. It was very low. The Senator from Indiana may recall that during the war and in the years immediately following, even as late as 1948, special incentive prices for the production of commodities were urgently needed. We were faced with the expiration of a law which had provided, up to that time, for supports ranging from 52 to 75 percent of parity for the basic commodities. However, I think 57 percent



of parity was the highest level of support which was ever put into effect.

Mr. CAPEHART. In what year was that?

Mr. AIKEN. In 1948. I think the law expired on December 31, 1948, and it was necessary to enact legislation to take its place; otherwise the support would have reverted to the 52-percent level.

Mr. CAPEHART. Does the Senator recall what the parity price was from 1940 to 1948?

Mr. AIKEN. Of course, ceiling prices were in effect, because we had unloaded a heavy harvest.

Mr. CAPEHART. The OPA controlled prices during the war.

Mr. AIKEN. That is true.

Mr. CAPEHART. What was the price during the war?

Mr. AIKEN. It was very low; I think around 70 cents a bushel in 1940.

Mr. CAPEHART. What was the parity percentage?

Mr. AIKEN. I can soon tell the Senator, I am certain. From 1937 to 1941, the average national price of wheat was 77 cents a bushel.

Mr. CAPEHART. Does the Senator remember what the parity price was?

Mr. AIKEN. That was about 56 percent of parity; but I cannot state the price in dollars and cents.

Mr. CAPEHART. What was the parity price support on corn?

Mr. AIKEN. On corn it was about 55 or 56 percent. The first support price came, I believe, in 1933.

Mr. CAPEHART. What was the percentage of the support price on corn then?

Mr. AIKEN. I do not know, offhand.

Mr. CAPEHART. Does the able Senator from Louisiana have those figures? I am trying to ascertain what the parity price was on corn from 1934 to 1940.

Mr. YOUNG. If the Senator will yield, I should like to read into the RECORD a statement I received from the Department of Agriculture pertaining to the first price-support program which went into operation with the act of 1938.

The price support of corn for 1938 was 70 percent. For 1939 the price support was 69 percent of parity. In 1940 it was 75 percent of parity.

Mr. CAPEHART. What was it in 1940?

Mr. YOUNG. Seventy-five percent of parity.

Mr. CAPEHART. What was it in 1941?

Mr. YOUNG. I do not have that information. The Steagall amendment went into effect.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ANDERSON. The Steagall legislation became effective at about that time and raised to 90 percent the price-support level on all commodities for which the Secretary of Agriculture had asked increased production.

Mr. CAPEHART. That was for the purpose of war production, was it not?

Mr. ELLENDER. That was on nonbasics only. I put that information into the RECORD yesterday.

Mr. CAPEHART. On nonbasics?

Mr. ELLENDER. Yes.

Mr. CAPEHART. What was it on basics?

Mr. ELLENDER. It was placed at 85 percent in early 1941.

Mr. CAPEHART. On basics?

Mr. ELLENDER. Yes; before Pearl Harbor.

Mr. ANDERSON. I wish the Senator from Louisiana would check that. I do not think that is the situation at all. The Steagall legislation provided 90 percent of parity price supports as a minimum.

Mr. ELLENDER. I wish the Senator from New Mexico would check it himself. I put that information in the RECORD yesterday. As a matter of fact, the first amendment raising support levels was just before the war; a minimum support level of 85 percent of parity on the then basics was put into effect so as to bring the prices to the farmers up. It was only after the war began that President Roosevelt acted—

Mr. CAPEHART. Does the Senator mean after the war started?

Mr. ELLENDER. After the war started, in 1942, President Roosevelt requested in a special message that a ceiling should be placed on the prices of farm commodities, and that ceiling was put at 100 percent.

Mr. CAPEHART. That was the OPA ceiling.

Mr. ELLENDER. That is correct. He also stated that, in order to protect the farmer after the war, the support price should be set at 90 percent for a reasonable period after hostilities ended.

Mr. CAPEHART. That was for 2 years after the war.

Mr. ELLENDER. Yes. That was not put in a farm bill, but in the Stabilization Act.

Mr. AIKEN. Mr. President, Congress provided for 90-percent supports for the basic commodities during the war and for 2 years thereafter. As I recall, the Steagall amendment did not restrict the administration and did not limit it, because I know the price received for milk was running at about 130 percent of parity.

Mr. CAPEHART. Was the purpose of putting 90 percent of parity support prices into effect during the war to increase production?

Mr. AIKEN. Yes; to guarantee that the producer, if he increased his production drastically and the war should end suddenly, would not be left holding the bag.

Mr. CAPEHART. The farmer had 2 years' grace.

Mr. AIKEN. Yes.

Mr. CAPEHART. What figure was it understood the prices would return to?

Mr. AIKEN. Had there been no legislation, they would have returned to the figures of the 1938 Agricultural Act, which provided supports from 52 to 75 percent of parity for basic commodities. I do not recall offhand whether any price was fixed for the nonbasic commodities.

Mr. CAPEHART. Why was not the issue of 90 percent of parity versus 52 to 75 percent of parity a controversial subject in those days?

Mr. AIKEN. Congress enacted the act of 1948, which provided supports should be raised so that, for practical purposes,

they were 72 to 90 percent of parity. The bill was finally approved in this chamber on the morning of the 20th of June 1948, at 6 o'clock in the morning.

Mr. CAPEHART. I remember that very well.

Mr. AIKEN. Mr. President, I should like to complete the statement I have prepared.

Let us consider what high rigid supports have done for the corn grower.

As wheat and cotton producers have had their acreage cut, they have planted such acreage to crops competitive with corn.

Over 16 million acres of land diverted from wheat and cotton have been planted to feed grains competitive with corn in the last 2 years. These millions of acres have produced approximately 800 million bushels of feed grain. This production on diverted acres has resulted in controls over corn, even though corn did not increase its own planting. Corn is the direct victim of an unsound Government policy. Except for the production of feed grains on diverted acres, the corn supply would be in perfect balance today.

Have high rigid supports maintained the price for corn? Certainly not. The support price for corn this year was 87 percent of parity. The actual farm price for corn was 67 percent of parity.

Again I emphasize the fact that the level of support does not necessarily have too much to do with the price the farmer receives, particularly with respect to those commodities as to which only a percentage of the producers can qualify for supports, anyway.

The disparity between what the farmer did receive and should have received is due to the production of feed grains on diverted acres.

The low price for corn can be charged directly against rigid supports for wheat and cotton.

The rice grower, a supposed beneficiary from rigid supports, has seen his acreage cut from 2,600,000 acres to 1,600,000 in 2 years' time.

His outlook for foreign markets at this time looks dubious.

The hog raiser has seen his price knocked down from \$20 a hundred to \$12 a hundred in 1 year's time, simply because the high rigid supports for wheat resulted in excess production of feed grains on diverted acres.

Mr. THYE. Mr. President, will the Senator permit an interruption?

Mr. AIKEN. I shall yield as soon as I complete one more sentence.

The whole Midwest farm economy, which should be stable today, has been disrupted by the effect of high rigid supports for the producers of other crops. Now I yield to the Senator from Minnesota.

Mr. THYE. The Senator had touched on the rice question. That was why I was rude enough to interrupt him.

So far as rice was concerned, let me say that the committee recognized the problem. We also recognized that rice was not one of the major crops. Therefore, we wrote into the bill a provision for a trial run of a two-price system. It is an experiment to see whether it is possible to have an arrangement



whereby a crop such as rice can be sold on the domestic market at 90 percent support prices and can be sold at a different price on foreign markets. It is a trial run.

The Senator has not made any mention of what we are trying to do in the bill with regard to rice.

Mr. AIKEN. I did not make any mention of the two-price provision included in the committee bill because I have the feeling that before the debate is over, we are going to run into vigorous and violent opposition to that experiment. Already foreign countries are raising the roof and threatening retaliation with respect to other exported commodities if we undertake to flood the world market with rice at cut rates. I am in favor of selling our surplus rice. I think we ought to sell it, and not hold a red flag in front of other rice-producing countries of the world and say that we are going to dump it on their markets. We do not need to advertise it. Let us simply sell it and take our licking.

Mr. THYE. It is true that if we are going to sell on any international market we shall have to, as we have done under the International Wheat Agreement, subsidize some of our exports, or we shall have to resort to a two-price system. We are trying to have a trial run of a two-price system on rice. I do not think we should run for cover merely because we are going to meet with opposition or because somebody raises an objection. That would be legislating under pressure, and I, for one, have never been of the frame of mind that I would legislate under pressure.

In the case of rice, I think our two-price system will give us an opportunity to make a trial run to see whether the United States can maintain somewhere near the parity price in the case of the rice consumed in the United States, whereas our surplus production of rice will be sold competitively in the world market at a price the world market will be willing to offer for it.

Mr. AIKEN. If we are to undertake to sell our commodities in the world market on a two-price system, I think rice is a good commodity with which to try that out. I am glad the program is for only 2 years.

However, I think it would be much better to sell our rice in the world market in the same way we have sold almost a million bales of cotton in the last 5 or 6 weeks, instead of advertising the fact that we are going to unload the rice for whatever we can obtain in the world market. In that event, we shall be inviting two-price systems and dumping on the part of other countries, and we shall be inviting retaliation against our fruitgrowers and our growers of other export commodities.

Mr. THYE. However, we do not necessarily need to apologize for the results of the subsidized International Wheat Agreement, do we?

Mr. AIKEN. No. Of course, when we raise more than we need for our own families, I know it is human nature to sell the surplus for what we can get; and that is what is proposed in this case.

Mr. THYE. But the Senator from Vermont has not grasped my question.

Is it not true that there has not been too much unpleasantness in connection with the International Wheat Agreement, by which we have subsidized and put into international channels wheat produced in the United States, and have done so at a price less than the price the domestic processor is willing to pay for the wheat?

Mr. AIKEN. I do not know whether the International Wheat Agreement will be continued or not. I had hoped it would be continued. I had thought it was a good experiment. We have tried it for 6 years, I believe. But Great Britain has not been willing to participate any further in the agreement. Apparently she thinks she can obtain the wheat she needs at a lower price if she does not participate in the agreement.

During the last year we have subsidized wheat at the rate of approximately 75 cents a bushel, during the time the International Wheat Agreement has been in effect. We have spent \$800 million in subsidizing the wheat sold through the International Wheat Agreement.

Probably, as the Senator from Minnesota has suggested, if, beginning with the time when we began to participate in the International Wheat Agreement, we had devoted the amount of money it has cost us to the operation of a soil bank, we would be better off today.

Mr. THYE. Like the old Chinese proverb: "Look back, that you may have the wisdom to look ahead intelligently."

So it is well for all of us to examine past events, as we consider the new plans.

The soil bank is the first realistic approach to resolving our surpluses of agricultural commodities. I believe that once the soil bank is given sufficient time to reduce effectively the total acres harvested, we shall be on the way to giving the farmer parity in the market place. But in the meantime, we have a problem confronting us.

Since the Secretary of Agriculture is announcing reduced supports for corn and the other basic commodities in 1956, we propose that the program of 90 percent of parity be renewed until the soil-bank program has had an opportunity to work.

Mr. AIKEN. If we can succeed in having 15 million or 20 million acres of land removed from the production of the basic crops this year, that will be a major step toward accomplishing the purpose with which the Senator from Minnesota and I are in full agreement.

Mr. THYE. I think the soil-bank approach is sounder than the one we have tried thus far.

Mr. AIKEN. But it is human nature, of course, to try many wrong ways before we finally hit on the right way to proceed.

Mr. ELLENDER. Mr. President, will the Senator from Vermont yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AIKEN. I yield.

Mr. ELLENDER. Does the Senator from Vermont think that, in the case of our basic crops, we shall ever be able to

compete with foreign producers, unless we employ some kind of subsidy?

Mr. AIKEN. I do not know that anyone can answer that question.

Mr. ELLENDER. Would not the Senator from Vermont answer the question in the negative—in short, that we could not compete without having some sort of subsidy?

Mr. AIKEN. Today, we are subsidizing peanuts by reason of putting 50,000 to 100,000 tons into oil each year.

We are subsidizing wheat through the International Wheat Agreement.

As yet, we are not subsidizing tobacco.

Mr. ELLENDER. However, will not the Senator from Vermont concede that since our living standards are so very much higher than the standards of living one finds in, let us say, Mexico, Peru, or Pakistan, it would be almost impossible for the farmers in the United States who produce, let us say, cotton to sell it in competition with the cotton produced in those countries, unless we have a subsidy arrangement?

Mr. AIKEN. We have been producing cotton in competition with the cotton produced in other countries. About 6 weeks ago we began cutting the price of some of our lower grades of cotton which are being sold in the world market. I do not believe we are as yet subsidizing the higher grades of cotton. However, we are losing the world market by reason of having American promoters, if I may use that term, go into other countries, where everything is cheaper, and produce cotton in competition with the cotton produced in the United States.

Mr. ELLENDER. In the case of that cotton, is it not true that the Commodity Credit Corporation is taking a loss of from \$45 to \$50 a bale?

Mr. AIKEN. I think the Commodity Credit Corporation is taking a substantial loss. However, I believe we could produce any quantity of cotton in the United States in competition with the cotton produced in any other part of the world, if the growers in our cotton-producing areas were permitted to produce without restriction. But we have been basing our cotton-support program on the requirements of the more uneconomic producers; and I do not believe we can support them properly, even if we put the support level for cotton at 200 percent of parity; I still do not think they could make a good living.

In some of the old cotton-producing areas, it probably costs the small producers 30 cents a pound to produce cotton, today. But in the United States there are great areas which are restricted as regards the production of cotton, but which could produce the same cotton at a cost of from 15 to 25 cents a pound; and the cotton produced in those areas of the United States—for instance, in New Mexico, Arizona, west Texas, California, the delta area of Missouri, Arkansas, and Mississippi, and, I believe, to some extent in Louisiana—can compete any day in the world market with cotton produced in other countries.

But the small producer who lives in the old cotton-producing area, where cotton has been grown continuously for



150 years, probably cannot compete in the world market without having a generous subsidy.

Mr. ELLENDER. I do not know of an area in the United States that can compete costwise with Mexico, Peru, or Brazil, insofar as the production of cotton is concerned, particularly if these countries continue to show a willingness to employ various artificial devices in order to keep their export markets.

Mr. AIKEN. But the cotton produced in the parts of the United States to which I have referred is competing not only with the cotton produced in those foreign countries, but also with synthetics which are produced here at home.

Mr. ELLENDER. In the case of wheat, does the Senator from Vermont think it is possible without the payment of a subsidy for wheat produced in the United States to compete with wheat produced in Canada and with wheat produced in other countries which normally produce wheat, such as Australia?

Mr. AIKEN. Yes; and I think that as regards the sale of wheat to the purchasing countries of the world, Canada has adhered almost exactly to our own prices.

Mr. ELLENDER. The Senator from Vermont knows that wheat is virtually running out of the ears of the Canadian farmers, and is being sold by them much cheaper than we can sell it.

Mr. AIKEN. Yes, to some extent, but it must require a great deal of restraint on the part of the Canadians to keep from unloading that wheat on the market for whatever amount they can obtain for it, and thus cutting the ground from under us. However, the Canadians have not done that so far. I think we owe them a debt of gratitude because they have refrained from mercilessly dumping their surplus wheat on the world market.

Mr. ELLENDER. What would become of the wheat producers of America, assuming that we had a normal supply on hand, without support prices? Does the Senator think the wheat producers of America could increase exports without the International Wheat Agreement?

Mr. AIKEN. I do not think we are likely to do so so long as we have 1 billion bushels of surplus wheat hanging over the market.

Mr. ELLENDER. My question was predicated upon normal production, and normal supply on hand—not the huge surplus we now have. The question I am asking is this: Could the wheat farmers of America compete with other countries without our Government helping them in some way, by way of the Wheat Agreement, or some kind of subsidy?

Mr. AIKEN. The answer is the same as in the case of cottongrowers. Some of them could and some could not.

Mr. ELLENDER. The Senator knows that most could not.

Mr. AIKEN. For many years we have been basing our farm-support programs on the requirements of the more uneconomic producers. That has been a laudable effort to try to maintain a living income for those people. However, times have changed. The Senator from Louisiana probably knows of women who

were doing an excellent business as beauticians. Then the home permanent came along and put them out of a job. They had to do something else. Many farmers have had to do the same thing.

I do not believe we help ourselves as a nation when we try to base our programs on our most uneconomic production, when we have areas that can produce in competition with any other part of the world. I do not think our cottongrowers of the South and the West, or our wheat producers of the Great Plains need to take a back seat to any producers in the world when it comes to efficiency and economical production.

Mr. ELLENDER. My good friend would be surprised to learn how much more cheaply cotton can be grown just across the Rio Grande in Mexico than on similar lands in Texas.

Mr. AIKEN. I have no doubt of it.

Mr. ELLENDER. Also, in Pakistan and Brazil it can be grown much more cheaply than it can be produced in this country.

Mr. AIKEN. I have no doubt of it.

Mr. ELLENDER. With labor in other countries receiving about the equivalent of 15 cents an hour, how does the Senator figure that American farmers can compete with them and maintain our living standards.

Mr. AIKEN. I can remember when the same situation prevailed on our northern border, when labor received only a fraction as much north of the border, in Canada, as it was paid in the United States; when milk sold for less than half what it sold for in the United States. Potatoes sold for 25 percent of what they were bringing in the United States. That seems like only yesterday. However, today when we go into Canada, we find that prices for labor, milk, beef, and almost everything else, are identical with our prices. I hope before many years the Mexicans will reach that stage in their standard of living, and that their earnings will become comparable with ours. In the meantime, I agree with the Senator that cotton can be produced a great deal more cheaply in Lower California than it can be produced anywhere in the United States. It not only can be produced more cheaply, but is produced more cheaply. However, there is a limit to how far they can go.

Mr. President, I wish to continue where I left off.

The dairyman too had rigid 90-percent supports until the spring of 1954. What happened to him? During a period of 10 years, the per capita consumption of milk dropped from 816 pounds to 689 pounds. The butter market dropped off 500 million pounds and the use of substitutes increased.

If we had today the per capita consumption for dairy products that we had in 1942, we would need more than 15 billion pounds more of milk production today to meet the demand.

In the spring of 1954, Government-owned 1,600,000,000 pounds of dairy products. This surplus was steadily accumulating in the face of steadily diminishing consumption.

Flexible supports for dairy products were put into effect in 1954. The Gov-

ernment surplus, except for cheese, has virtually disappeared.

Our supply of butter owned by the Commodity Credit Corporation has gone down from 500 million pounds to 30 million pounds, only a week ago.

The consumption of milk has increased more than 20 pounds per capita in the past 2 years. It is still increasing.

Total consumption of milk has increased more than 10 billion pounds in 2 years time. We are nearly in balance. In 1955, for the first time in years, America consumed more butter than it produced.

The dairy farmers of America have done a splendid job for themselves, and can do still better as time goes on.

In the face of this conclusive evidence as to what rigid supports have done to the American farmer, we still have a clamor for the continuance of this type of program.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield. I thought the Senator from Minnesota would soon be on his feet.

Mr. THYE. I thought I saw the Senator from Vermont look over his shoulder to see whether or not I would arise.

Mr. AIKEN. I am amazed at the delay, to tell the truth. [Laughter.]

Mr. THYE. Inasmuch as the Senator was looking for me, I did not wish to disappoint him.

In all seriousness, I join the Senator from Vermont in paying tribute to the farmer for having in conjunction with other producers of the Nation, assessed himself so much a pound of milk, or dairy products delivered to the creamery or cheese factory, in order to raise an advertising campaign fund. The dairy farmers have employed all proper methods of selling their products. Of course they should have done so. That sort of campaigning was not needed during the war. There was an embargo to prevent the export of fats and oils, because we were in short supply in the United States.

But when we passed from the war period into the period when we commenced to add to the surplus, it was then that the producer groups reorganized themselves, and began to raise a fund for advertising. The dairy farmers are doing an excellent job.

There is no one more intelligent in his approach to the farm problem than is the Senator from Vermont. He is quite capable of taking care of himself in any debate on the farm question. The Senator from Vermont knows that the heat of last summer in the New England area caused a drought which resulted in shortage of pasture and feed. The increased consumption of fluid milk and ice cream did more to reduce the supply of fluid milk and increase consumption, and lessen the amount of milk going into butter, than did any price support factor.

I should like to run through the years and show the record of payments per hundredweight by the Twin Cities Milk Producers Organization for milk of 3½ percent butterfat. This is one of the largest cooperative organizations in the Nation. No private corporation profits



are taken out of these prices. Incidentally, this year more than 8,000 farmers are grouped in the Twin Cities Milk Producers Organization.

Going over the figures for the various years, it is interesting to note that in 1946 the producers received \$3.62 a hundred for 3½ percent butterfat milk; in 1947, \$3.615; in 1948, \$3.959; in 1949, \$2.916; in 1950, \$2.928.

Then, when we got into the Korean war, in 1951 the price jumped to \$3.441; in 1952, \$3.777; in 1953, \$3.264. In 1954 the full flex came into operation. That is when the support prices went from 90 percent down to 75 percent. In the calendar year between 1953 and 1954 the price dropped from \$3.264 to \$2.916. That represents a drop of more than 30 cents a hundred. In fact, it is 35 cents a hundredweight.

The producers never regained that loss. The price has remained down. The consumer has not received any benefit. Most of the disappearance of powdered milk represents powdered milk which went into feed mixes. It did not go into human consumptive channels.

In 1955 the Twin Cities Milk Producers Organization paid \$2.888, or slightly less than \$2.89.

Mr. AIKEN. That is not for fluid milk, is it?

Mr. THYE. That is the Twin Cities Milk Producers price paid to members for manufacturing No. 1 grade milk, 3.5 butterfat, delivered at the plant.

Mr. AIKEN. That is what I wanted to make sure, that it was not for fluid milk, but for manufacturing milk.

Mr. THYE. That is for manufacturing milk. That is what we must consider, because it is the manufacturing milk to which the 90-percent parity formula was applied. It was not applied to the Federal milk orders in existence in the large cities of Vermont, Massachusetts, New York, Maryland, Tennessee, and in other cities.

Mr. AIKEN. How does the Senator explain the fact that a great cooperative like Twin Cities would pay only \$2.87 for manufacturing milk when the support price was \$3.15?

Mr. THYE. That is exactly what I am getting at, that even after they got into the new parity formula, the 75 percent formula did not give them the 75 percent we had expected it would, because if it had given it to them, they would have received \$3.15 a hundred. That is what they were supposed to get under the 75-percent parity formula, but it did not figure out that way.

In order to give the Senator further information along that line, if we take some of the creameries or cheese factories of the cooperatives affiliated with Land-O-Lakes, which is one of the largest marketing organizations in the world, and convert that price, we will find that in 1953 the price was \$3.27, and in 1954—which was after the flex went in—it dropped to \$2.97. If we subtract, we find that there was a 30-cent drop in those years.

Mr. AIKEN. That is correct, but—

Mr. THYE. Under the so-called revised or new parity formula the Secretary can say, "We are going to give the

producers 83 percent of parity." But even when he fixes it at 83 percent of parity under the new parity formula, it is not the equivalent of the 75-percent parity paid under the formula which was in effect 2 years ago.

The Senator and I must consider these figures before we can understand what we are talking about. Some people have painted a very rosy picture. But it is not good. In spite of the reduced price, the producer, in order to meet his obligations and pay his bills, has increased his production per cow, and has increased his number of cows, the national production is up.

Mr. AIKEN. I believe the Senator from Minnesota, in submitting the figures with respect to the amount paid by cooperatives in his State for manufacturing milk, pointed out one of the dairy farmers' major problems. Although the Commodity Credit Corporation pays to creameries—cooperative as well as proprietary—a price for manufactured products which should reflect \$3.15 per hundredweight to the producer, the producer nevertheless is not getting that price. In some cases I can understand the reason for that. I know that some cooperatives have gotten into rather bad financial shape. In the last 2 or 3 years they have been improving their situation. It is probably wise that they should follow such a course. Nevertheless, the time has come when we should examine the situation, to make sure that the cooperatives are not building up excessive reserves, and returning too small an amount of cash to the producer. It is essential that we have adequate reserves, of course, and I agree with that.

Mr. THYE. Also—

Mr. AIKEN. I want to assure the Senator from Minnesota that Minnesota is not the only State having trouble in that direction.

Mr. THYE. I wish to assure my distinguished friend from Vermont that the Twin Cities milk producers, in the first instance, do not do that, because it would put them in jeopardy with their income tax exemption.

Mr. AIKEN. That is correct.

Mr. THYE. Secondly, they have an excellent financial record, and always have had.

Mr. AIKEN. It may be that they are paying a little better price for fluid milk. I have had the feeling for some time, although not with regard to this particular cooperative—

Mr. THYE. I can tell the Senator exactly what the situation is, so that he can determine for himself. The price of grade AA fluid milk, which is delivered at the Twin Cities plant, before any freight is charged, is \$3.80. Then it varies depending on what station it comes from.

If the milk comes from Lake Elmo, which is some distance away, the price is \$3.70. From Farmington, it is \$3.70, and from River Falls, Wis., it is \$3.69. That, of course, is fluid milk which is sold to the consumers of St. Paul and Minneapolis, Minn., embracing an area where there are two large cities. When we come to manufacturing milk No. 1—and we must recognize that that is really the

kind of milk of which there is a surplus—the price of manufacturing milk No. 1 was \$2.98 as of December 1955. Manufacturing milk No. 2—and a great deal of milk goes into No. 2—was only \$2.89. Therefore there is no question about the figures with respect to either Twin Cities or Land O' Lakes, and those are probably the best dairying organizations from the standpoint of management.

Mr. AIKEN. They may have had some expansions, and some reductions were made for those expansions.

Mr. THYE. No; that is not correct. I can go back month by month for the past 5 years, if the Senator desires, to show that that is not the case. What I have stated shows how serious the situation is to the dairy farmer in Wisconsin, northern Michigan, Minnesota, and in the eastern part of the Dakotas and in the northern part of Iowa, where milk must go into manufacturing if it is to find a market.

In that are there are not the large cities that take the fluid milk, which is the situation in areas like Washington, Boston, Baltimore, New York City, and Memphis, Tenn.

Mr. AIKEN. I can assure the Senator from Minnesota that I have been very much concerned over the price of manufacturing milk in the area to which he has referred, because the average price for the whole country for 1955 was \$3.22 a hundredweight; yet there seems to be an area, one of our greatest producing areas, where milk is not receiving the full support price.

Mr. THYE. That is correct.

Mr. AIKEN. I am not sure that we should not revise our methods of figuring the value of manufacturing milk and tie it to the value of fluid milk to a greater extent than has been done up to now. I do not know how to work that out, but I have been thinking about it.

Mr. THYE. If there is an area in agriculture which needs thorough study, it is the entire milk industry, particularly in view of the fact that Federal orders have come into the picture. Of course, without Federal orders we would have chaos in the market, because competition would be introduced, and when that occurred the market would eventually be destroyed, and there would be price wars, and adequate sanitary standards would not be maintained. Therefore, the Federal orders are a necessity in the major markets. However, they in themselves have become a barrier, and in certain milksheds no milk can come in except as it is permitted to come in. Therefore, we must have a study made.

But outside of the big fluid milk market, there are many dairy producers who are in serious trouble because of the costs of handling a dairy herd in these days when labor is scarce and the producers have to pay exceedingly high wages to get herdsmen to whom they can entrust valuable dairy herds. So they are today in jeopardy, and many of them are young farmers with limited capital.

Mr. AIKEN. The Senator from Minnesota is entirely correct in saying that dairying is a major field of agriculture which requires study. It should be studied without much delay. We are now getting such a large percentage of



milk under marketing orders that the composite price received could well be used for fixing a more rational price for manufactured milk. I assure the Senator that I have been studying this subject. I have been gathering statistics on it, as I know the Senator has also.

Mr. THYE. Yes; I have.

Mr. AIKEN. Although the figures may not be exactly correct, the intent is good, and it is something we should follow. It would do away with the feeling that one area is being prejudiced to the benefit of other areas. There are grounds for believing that today. I thoroughly agree with the Senator that we must do something about it. I know he is thinking along the same lines as I am at this time.

Mr. President, to restore rigid support prices today would be the same as trying to cure a man suffering from snake-bite by letting the same snake bite him again.

Who is it that wants rigid support prices restored?

First, there are those who sincerely believe that such a course will raise farm income;

Second, those who are making fortunes out of the storage of Government surpluses; and

Third, those who want a completely regimented agriculture in America and know that their best chance of achieving this rests in maintaining enormous price-breaking surpluses in the hands of Government.

Yes, Mr. President, virtually every dollar of drop in farm income since 1947 can be laid at the door of high rigid support prices.

Do we want to continue on this course?

Do we want to price the rest of our export commodities out of the world market?

Do we want to force the greater use of substitutes and synthetics?

Do we want to deprive the American farmer of the freedom of choice in managing his own farm?

Shall we insist that he come to the seat of government on bended knee and with bowed head for the support of his family?

If this is what we want, then we will vote to continue the rigid support program.

But the best way is to face the facts and to do all we have to do, even though it may be painful at times, to provide for the future of the Nation, and to provide for a prosperous, productive, and free America.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of a letter which I wrote to President Eisenhower on February 7, asking as to his position in regard to the reestablishment of high rigid price supports, and also a copy of his reply, which was sent to me under date of February 8.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 7, 1956.

HON. DWIGHT D. EISENHOWER,  
The White House,  
Washington, D. C.

DEAR MR. PRESIDENT: In our consideration of pending nine-point farm program, we have some uncertainty as to your position with reference to including with the soil-bank proposals other provisions which would reestablish high rigid price supports.

It would be of great value at this time to have your views on this basic matter.

With best wishes.

Sincerely,

THE WHITE HOUSE,

Washington, D. C., February 8, 1956.

THE HONORABLE GEORGE D. AIKEN,  
United States Senate,

Washington, D. C.

DEAR SENATOR AIKEN: Your letter of February 7 poses a question of great importance, and I am glad to comment on it.

You know, of course, the genesis of our soil-bank proposals. As long as we go on accumulating surpluses, thereby depressing agricultural markets more and more, it will be impossible for our farming people to share fairly in the Nation's growing prosperity. In order to have a free, prosperous agriculture, we must deal effectively with the problem of these surpluses. It is principally for this purpose that we have proposed the soil bank.

Of course, these price-depressing surpluses themselves are largely the result of high rigid price supports of wartime, too long continued in time of peace. It would be inconsistent to enact a soil-bank program and, at the same time, reestablish production incentives that would again fill Government warehouses, again depress prices, and thus defeat the main object of the soil bank.

I realize that there is always room for varying opinions on how best to resolve public problems. Nevertheless, in this instance, I must say that I should be gravely concerned if the soil bank should be coupled with the restitution of production incentives certain to nullify the great benefits that the bank can bring.

With warm regard,  
Sincerely,

DWIGHT D. EISENHOWER.

Mr. AIKEN. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point in my remarks the minority views of the Committee on Agriculture and Forestry.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

#### MINORITY VIEWS

The Senate Agriculture and Forestry Committee (1) by the narrow margin of 8 to 7 voted for returning to rigid 90 percent mandatory price support without regard to the size of surpluses for cotton, corn, and peanuts for 1956 and 1957. (Also the committee voted for rigid 90 percent mandatory price support on mill-quality wheat which as now defined will qualify nearly all wheat seeded) and (2) voted for continuing old parity for any so-called basic commodity if it is higher than modernized parity. In 1954 90 percent mandatory rigid price supports, without regard to the size of surpluses, were defeated in the Senate by a vote of 49 to 44.

Thus through S. 3183 the majority of the committee is again asking the Senate to approve farm legislation which the Senate has

considered previously and which it has determined is against the interests of farmers and ranchers in particular and the public in general.

Title I of the bill directs that the commodities wheat, cotton, and corn, which are in serious oversupply situation, be supported at levels which will continue to stimulate wasteful overproduction. Likewise, it directs the support of peanuts at a level which will encourage overproduction.

Title II (the soil-bank provision) contradicts title I and directs that farmers go in the opposite direction by lowering production to help bring supplies into balance with demand. Thus the bill, on the one hand, proposes to raise the level of price support and thereby stimulate production and, on the other hand, it proposes a soil bank which is intended to reduce production and dispose of surpluses. How production can be stimulated and reduced at the same time, we don't know. Even Joshua only commanded the sun to stand still. As bold as Joshua was, he wasn't so foolish as to command that the sun stand still and simultaneously both rise and set. The continuation of wartime incentive levels of price support nullifies the good points of the proposed legislation aimed at bringing supply and demand into a healthy balance.

Going back to 90 percent rigid price supports, regardless of how high surpluses pile up, is like eating more green apples to cure a stomach ache caused by eating green apples.

The evidence is overwhelming: At the outset of World War II, Congress raised price supports from a range of 52 to 75 percent of parity to 90 percent of parity in order to encourage all-out production for insatiable war demand—production shot up.

Continuation of those wartime incentive levels for more than 10 years after the war has smothered farmers in an avalanche of surpluses. No wonder prices have sagged. No wonder the net income of farmers has gone down. There isn't any business that can be operated successfully on the basis of pouring more and more resources into production at a time when markets are contracting due to an adjustment from wartime to peacetime levels. Increased production in agriculture has been encouraged by Government intervention at a time when incentives to produce should have been gradually lowered to encourage adjustment to peacetime demands. Farmers and ranchers see clearly that rigid 90 percent supports on the basic commodities in the fact of mounting surpluses are doing them more harm than good. We have gotten into trouble by extending 90 percent supports year after year. Flexible supports haven't been given a chance to help guide production and consumption. Farmers and ranchers are being hurt by the Government continuing to provide an incentive to increase production of unneeded commodities, by curtailing the movement of production into domestic and foreign markets, and by piling up income-depressing surpluses in Government hands.

Net farm income has continued to decline despite 90 percent rigid price supports. Flexible supports are only being put into effect on some commodities for the first time in 1956. The law didn't allow flexible supports to be put into effect until the harvesting of the 1955 crops last fall and only then on a very limited basis. The following table shows the levels of price supports on basic commodities that were in effect in 1954 and 1955.



Level of price support

| Commodity       | Unit          | Beginning of marketing season | 1954                  |                                  | 1955                  |                                  |
|-----------------|---------------|-------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
|                 |               |                               | Average support price | Support level, percent of parity | Average support price | Support level, percent of parity |
| Wheat           | Bushel        | July                          | \$2.24                | 90                               | \$2.08                | 82                               |
| Corn            | do.           | October                       | 1.62                  | 90                               | 1.58                  | 87                               |
| Cotton (upland) | Pound         | August                        | .3158                 | 90                               | .3170                 | 90                               |
| Peanuts         | do.           | do.                           | .122                  | 90                               | .122                  | 90                               |
| Rice            | Hundredweight | do.                           | 4.92                  | 91                               | 4.66                  | 86                               |
| Tobacco:        |               |                               |                       |                                  |                       |                                  |
| Flue-cured      | Pound         | July                          | .479                  | 90                               | .483                  | 91                               |
| Burley          | do.           | October                       | .464                  | 91                               | .462                  | 91                               |
| Other           |               |                               |                       | 1 90                             |                       | 1 90                             |

1 Generally 90 percent  
Source: U. S. Department of Agriculture release, October 1955.

The foregoing table clearly shows that for practical purposes rigid high price supports have been in effect up to the present time.

The following table shows what has happened to net farm income for the past 15 years:

| Realized net farm income from farming |      |
|---------------------------------------|------|
| Billions of dollars                   |      |
| 1940                                  | 4.3  |
| 1941                                  | 6.2  |
| 1942                                  | 8.8  |
| 1943                                  | 11.9 |
| 1944                                  | 12.2 |
| 1945                                  | 12.9 |
| 1946                                  | 15.0 |
| 1947                                  | 17.2 |
| 1948                                  | 15.9 |
| 1949                                  | 13.7 |
| 1950:                                 |      |
| 1st quarter                           | 12.8 |
| 2d quarter                            | 12.1 |
| 3d quarter                            | 12.7 |
| 4th quarter                           | 13.8 |
| 1951:                                 |      |
| 1st quarter                           | 14.0 |
| 2d quarter                            | 14.7 |
| 3d quarter                            | 14.9 |
| 4th quarter                           | 15.6 |
| 1952:                                 |      |
| 1st quarter                           | 13.4 |
| 2d quarter                            | 14.1 |
| 3d quarter                            | 15.9 |
| 4th quarter                           | 12.8 |
| 1953:                                 |      |
| 1st quarter                           | 13.6 |
| 2d quarter                            | 13.6 |
| 3d quarter                            | 13.2 |
| 4th quarter                           | 13.2 |
| 1954:                                 |      |
| 1st quarter                           | 13.2 |
| 2d quarter                            | 11.3 |
| 3d quarter                            | 11.4 |
| 4th quarter                           | 11.3 |
| 1955:                                 |      |
| 1st quarter                           | 11.2 |
| 2d quarter                            | 10.7 |
| 3d quarter                            | 10.2 |
| 4th quarter                           | 10.2 |

Source: USDA Farm Income Situation, Dec. 16, 1955.

High rigid supports have been in effect practically all of this time. Farmers know that war demand caused prices and net farm income to shoot up. They do not want to resume the sacrifices of war. The following chart gives a clear picture of how war has affected net farm income.

SURPLUSES PILE UP

Surpluses were beginning to get out of hand just before Korea. Even while the war against the Communists was going on in Korea, the stimulus to overproduction was causing surpluses to mount higher and higher. Also, the incentive to produce has been so great that production has increased while large parts of the country suffered from drought. A combination of drought, production controls, and Government-induced surpluses has brought real hardship to farmers in many areas.

Carryover of selected basic commodities

|      | Wheat               | Cotton            | Corn                |
|------|---------------------|-------------------|---------------------|
|      | Millions of bushels | Millions of bales | Millions of bushels |
| 1948 | 196                 | 2,991             | 124                 |
| 1949 | 307                 | 5,218             | 813                 |
| 1950 | 425                 | 6,749             | 845                 |
| 1951 | 396                 | 2,166             | 739                 |
| 1952 | 256                 | 2,720             | 487                 |
| 1953 | 562                 | 5,512             | 769                 |
| 1954 | 902                 | 9,653             | 920                 |
| 1955 | 1,020               | 11,140            | 1,024               |
| 1956 | 1,050               | 14,000            | 1,200               |

Source: U. S. Department of Agriculture.

As surpluses grow higher and expenditures mount, the borrowing authority of CCC is being sharply increased.

CCC borrowing authority increases

|               | Billions |
|---------------|----------|
| Aug. 12, 1945 | \$4.750  |
| June 28, 1950 | 6.750    |
| Mar. 20, 1954 | 8.500    |
| Aug. 31, 1954 | 10.000   |
| Aug. 11, 1955 | 12.000   |

Source: Commodity Credit Corporation.

As of December 1955, \$10.992 million of these funds was in use.

By disposing of surpluses through (1) the International Wheat Agreement, (2) the use of a part of duties on imports, (3) the International Cooperation Administration and predecessor agencies, and (4) similar devices, the Commodity Credit Corporation does not reflect on its books much of the loss which finally shows up in taxes and the public debt.

Costs of storage alone are now more than \$1 million per day.

NOTE.—For further facts in regard to agricultural development see appendix A.

RESPONSIBLE OPINION FAVORS FLEXIBLE SUPPORTS

The great majority of informed opinion favors flexible price supports. Every Secretary of Agriculture for the past 25 years has recommended flexible supports. The major general farm organizations, representing most of the farmers, have rejected rigid supports as unsound.

The only general farm organization in the United States which has a member-State organization in each 1 of the 48 States overwhelmingly favors flexible price supports. In its convention last December, only 39 voting delegates out of 163 favored rigid supports. This organization, representing over 1,600,000 farm families and a steadily increasing membership, favors price supports as a method of avoiding the dumping of a full year's harvest on the market at one time. It looks upon price supports as a method of helping farmers to market their commodities in an orderly manner over a 12-month period.

However, it does not consider it the responsibility of the Government to guarantee profitable prices to any group. These farmers recognize that real farm income cannot be protected by policies which draw excessive resources into agriculture, create unmanageable surpluses, or cause artificial prices to be capitalized into land values. Farmers themselves insist that it should be recognized that (a) a Government storehouse is not a market and (b) that farmers cannot get fair prices for farm products in the market place as long as we are faced with surpluses of such products.

Farmers want national policies affecting farm production and marketing to promote a realistic balance between markets and productive capacity. They recognize we have a greatly expanded productive plant and reduced foreign markets. Any program which has the result of expanding agricultural output in the absence of a comparable increase in effective market demand is contrary to the interests of farmers. Likewise, programs which induce producers to continue inefficient production render a disservice to agriculture by contributing to the accumulation of surpluses, raising the average cost of production and limiting production per man—all of which tend to limit the opportunity of farm people to earn a good income.

Livestock producers, through their associations, have consistently rejected not only rigid price supports but price supports of any kind. Poultrymen, vegetable growers, fruit growers, and many others, speaking through their associations, likewise oppose rigid high price supports.

Economists are practically unanimous that the long-run interests of farmers are harmed by rigid supports. The thorough studies by Department of Agriculture experts in 1946, 1947, and 1948, and again in 1953, 1954, and 1955, came to the firm conclusion that rigid wartime supports designed to stimulate production for war needs, were incompatible with a peacetime economy.

FARMERS GAIN INCOME WITH LOWER SUPPORTS

Corn

Some people insist that lower supports will lower farmers' net income. Henry Wallace, former Secretary of Agriculture (1933-40), in November 1955, had this to say:

"Eighteen months or so ago when hogs were around \$26 a hundred I said the Corn Belt farmer ought to be happy with \$16 hogs and \$1.20 corn as a 10-year average provided other things did not go up in price. This is not 90 percent of parity. It is not even 80 percent of parity.

"The truth of the matter is, and every well-informed person in the Middle West and Northwest knows it, we now have far too many acres of land in grain of all kinds and especially so in wheat. Radical steps will have to be taken soon if the ever-normal granary and commodity-loan system is not to be destroyed.

"I believe the Corn Belt farmer stands to gain in income if the loan is usually made at somewhat less than 90 percent of parity. The reason why I believe in a loan for corn which is usually less than 90 percent of parity is twofold—first, corn is being produced with less cost per bushel as a result of new techniques. Second, the consumption of livestock products can be greatly increased if the price is not too high."

AGRICULTURAL ACTS OF 1948 AND 1949

Widespread misunderstanding exists with regard to the economic and political facts surrounding the passage of the Agricultural Acts of 1948 and 1949 which were designed to carry out in the postwar period the idea of assisting farmers to market their commodi-



ties in an orderly manner throughout the marketing year.

The Agricultural Acts of 1948 and 1949, which constitute the basic price support and adjustment program authority, were designed to provide farmers governmental assistance in adjusting production to effective demand.

It should be borne in mind that this legislation was evolved during a period after World War II that resembled in many ways the current period. Then, as now, we had moved out of a shooting-war situation into a postwar type of economic setting. Then, as now, we had our agricultural plant over-expanded and were confronted with reduced foreign demand. The year 1947 was one of extensive farm program studies just as 1955 was.

On April 21, 1947, CLINTON P. ANDERSON, Secretary of Agriculture, said:

"We need to develop a long-range system of commodity price floors to protect producers against excessive or abnormal declines during the market season and to generally cushion declines in farm prices and incomes in the event of business recessions. We should make sure, however, that we do not establish a rigid system of price relationships \* \* \*. Prices are and should be an effective means of encouraging changes in production as the conditions of production and demand change."

In 1947, in response to questioning by members of the Senate Committee of Agriculture and Forestry, Carl C. Farrington, speaking as chairman of the Department's Committee on Price Policy and Production Adjustment, said:

"We have given much thought to the percentage of modernized parity which might be used as a minimum price floor. Our studies indicate that 50 percent of parity, for example, might not be high enough to act as an effective stop-loss mechanism, and 90 percent might force us into a completely managed agricultural economy."

President Truman sent a message to the Congress on May 14, 1948. In it he asked for flexible price supports in these words:

"Many shifts in production will have to be made and flexible price supports will help us make them in an orderly manner. This will require authority to make prompt adjustments in support levels in line with current and prospective supply-and-demand conditions. It will also require flexibility in the choice of methods or programs that are designed to be most effective for individual commodities, that avoid waste, and that help bring about needed adjustments in production, distribution, and consumption."

Both the Republic and Democratic Party platforms in 1948 were straightforward in their endorsement of the basic principles of the Agricultural Act of 1948, including flexible price supports.

Both candidates for President campaigned in support of flexible price supports. In a speech which President Truman delivered at Springfield, Ill., on October 12, just prior to the November 2, 1948, election, he said:

"Here are the main outlines of the agricultural program we must have:

"1. We must have on a permanent basis a system of flexible price supports for agricultural commodities. Price supports and related measures help us keep our farm production adjusted to shifting market requirements."

The President's Council of Economic Advisers on January 7, 1949, submitted an economic review under the heading, "Farm Price Supports," in which they used these words:

"Intercommodity price relationships must be kept consistent with basic trends in demand and supply conditions. To the maximum extent possible parity-price relationships and support-price programs should en-

courage shifts to those commodities that are most wanted. Rigid systems of support, in violation of this principle, can only lead to rigid systems for restricting output that violate our tenets of economic freedom, that work against our objectives of maximum production, and that in the end take away from farmers' incomes through decreased volume as much as, or more than, they add through increased prices.

"The Agricultural Act of 1948 represents an important step forward in recognizing the difficulties associated with overrigid supports."

In his budget message to the 81st Congress in January 1949 President Truman restated the fundamental principles upon which the Agricultural Act of 1948 was based.

"As I said a year ago, price supports should be regarded 'chiefly as devices to safeguard farmers against forced selling under unfavorable conditions and economic depression.' Their purpose is to bring an element of stability into agriculture. At the same time they should not place excessive burdens on the Treasury and taxpayers or inhibit shifts in production needed to meet peacetime demands and to promote adequate conservation of our soil resources."

The majority report of the Joint Committee on the Economic Report, headed by Senator O'MAHONEY (Democrat, Wyoming) and Congressman HART (Democrat, New Jersey) had this to say on May 1, 1949:

"In order to fit a prosperous and equitably treated agriculture consistently into an economy seeking to operate continuously at maximum levels, agricultural price supports must be kept as floor prices; not as a means of price fixing, nor to guarantee a profit, but to provide a barrier against the sort of devastating price declines which in the past have made agricultural depression the forerunner of business and industrial depression \* \* \*."

"The need to put into operation a flexible, well-integrated and varied farm program is urgent. In addition to flexible price supports intelligently adapted to postwar conditions, consideration should be given as parts of a coordinated program to such measures as the provision of adequate storage facilities, more adequate credit accommodations, crop insurance, and so forth."

The minority report contained the following pertinent paragraph:

"We still consider that a support-price program for farm prices is highly desirable to prevent the development of a depression through a complete collapse in agricultural products. We do not feel that it is our function at this time to discuss the various plans for such price support, but we recommend that a full trial be given to the Aiken-Hope Act and its plan of sliding-scale support recommended by the leading agricultural associations. The administration of this plan should be directed not as if it were a relief measure or a guaranteed equality of income for individuals, but as a major weapon against distortion between urban and rural incomes which could bring collapse to the entire Nation."

#### RIGID SUPPORTS ARE GENERALLY HARMFUL

Rigid mandatory supports at 90 percent of parity without regard to supply seriously injure (1) the vast majority of farmers and (2) consumers.

#### RIGID SUPPORTS INJURE FARMERS

Rigid supports injure farmers by increasing their costs, decreasing their markets, obstructing needed adjustments, assisting their competitors, lowering their net income, discrediting sound farm programs and decreasing their freedom of choice.

#### 1. Increase costs

(a) Unit costs: As acreage controls are applied farmers are being forced to cut down on the number of acres devoted to the produc-

tion of a particular commodity, and in many instances this raises the unit cost of production. Farmers thereby make less net income.

(b) Diverted acres: One of the fundamental premises of the price-support program is that price support will encourage production. Since the time of the Federal Farm Board, advocates of price support have insisted that production control is a necessary part of the price-support program. This first price-pegging operation failed because there was not any authority for keeping supplies in line with demand, and it has not yet been demonstrated that any governmental authority will keep supplies in line with demand when producers have prices supported at incentive levels.

The Farm Board asked farmers to cut down on production voluntarily, but there was not any mechanism whereby if one farmer cut back he could be sure his neighbor would do likewise. As a consequence, the price supports were an incentive to produce more than the market would take at such artificial prices. Alexander Legge, Chairman of the old Federal Farm Board, in his final report, had this to say about the failure to keep supplies in line with demand:

"No cooperative system can successfully accomplish its purpose unless production is coordinated with marketing \* \* \*. Attempts to effect production through general advice \* \* \* but without definite organization for the purpose had little effect \* \* \*. Experience with stabilization thus demonstrated that no measure for improving the price of farm products other than increasing the demand of consumers can be effective over a period of years unless it provides a more definite control of production than has been achieved so far."

In other words, the program was unsound and as a result it failed.

The second effort to support prices of agricultural commodities was in the form of the Agricultural Adjustment Act of 1933, the old triple A. One of the basic requirements of that act was that in return for price supports farmers had to earn them by adjusting total production to market demand at such increased prices. It was clearly recognized in the law that prices could not be supported above a free market demand price without controlling production because the cost to the United States Treasury would be so great that the public would not stand for its continuation.

Later, as a result of failure to control production incentive price supports on potatoes, it cost the Federal Government in excess of \$500 million on a total of only 2 million acres of potatoes in the entire United States. The unsoundness of this program caused the public to revolt with the ultimate effect being the repudiation of price support on potatoes by the Congress. The story of eggs is quite similar. There was no means of controlling production and as a result the program broke down. The continuation of rigid 90-percent price supports violates the fundamental principle of keeping supplies in line with demand.

Millions of acres have been shifted out of wheat and cotton into the production of barley, grain sorghum, soybeans, and other crops. Thus supply problems, instead of being solved, are being shifted from one group of crops to another, which is grossly unfair. Oftentimes producers of a basic crop maintain that they are willing to restrict production in order to obtain price support at 90 percent of parity. What they mean, in most cases, is that they are willing to divert acres out of the basic crop and into other uses in order to obtain price support on the basic crop. This does not face up to the problem.

With an acreage-control program, there probably is no way fully to control the shift-



ing of supply problems from one crop to another. That being the case, price support should be kept at moderate levels so as to minimize the problem.

It is no accident that we have the largest amount of feed grain in the history of the country. Such plentiful supplies are bound to increase the production of livestock products and weaken the market for beef, hogs, and dairy products. Accordingly, it is quite unfair to permit the producers of basic commodities to be eligible for price supports and at the same time shift the acreage out of price-supported crops into other crops.

#### 2. Decrease markets

Rigid support decreases farmers' markets by lowering consumption. This is just exactly the opposite of what farmers need at this time. The most satisfactory solution to the current farm problem is to expand domestic and foreign markets until they balance agricultural production. It is sometimes argued that price has little to do with the consumption of agricultural products. Though we might decrease the price of wheat or cotton, it is said, no more bread or shirts would be purchased than before. There is enough truth to this statement to make it convincing, and enough untruth to make it dangerous. In the case of many agricultural products, such as livestock and dairy products, fruits, and vegetables—by far the most important source of farm income—the statement that price has little to do with guiding production and consumption is completely untrue. It is true, however, that a lower price for wheat would not increase the domestic consumption of bread. But it would permit us to meet export competition and to move more wheat in the form of livestock feed. A lower price for cotton would permit us better to meet the competition of synthetic fibers. It would permit us to regain a part of the world cotton trade which has been lost to foreign countries with respect to whom we have held a price umbrella. The housewife chooses food on the basis of price. The foreign buyer of American export products is price-conscious. The textile trade selects its fibers partly on the basis of price. No more effective weapon can be used to drive customers away from our products than to price these products at levels which are out of line with other products or alternative sources of supply.

The price-support programs of this country have had the effect of making America a residual supplier of most price-supported commodities. Under these conditions subsidies are needed to bridge the price gap between the domestic and export market. To maintain any semblance of the export market for wheat we have had to pay export subsidies as high as 80 cents a bushel. As a matter of fact the average subsidy under the International Wheat Agreement for 1955 was 75 cents a bushel. During the 6 fiscal years from 1950 to 1955, inclusive, subsidies under the International Wheat Agreement and similar subsidies outside the International Wheat Agreement have amounted to over \$800 million.

Pricing domestic products at 90 percent of parity draws imports to our shores as a magnet draws metal. These products are attracted out of their normal trade patterns, away from the legitimate recipients and to our already overburdened markets.

In order to keep costs down, embargoes, quotas, and import fees are needed. These unavoidable obstructions offend those nations whom we urgently need as friends.

If 90 percent of parity prices support is voted, the Congress by that act establishes a restrictive foreign-trade policy for agricultural products. The producers of export crops as well as other farmers will inevitably pay for this error.

#### 3. Retards needed adjustments

It is sometimes argued that since the legislation recommended by the President

would permit price supports at 90 percent of parity for basic commodities, the supports might as well be fixed at 90 percent by law.

There is, however, a great difference.

The flexible program serves to keep in the foreground the fact that supplies must be held in line with demand in order for price supports to be at or near 90 percent of parity.

There are numerous unforeseen events which might occur.

The minimum acreage provisions for certain crops might be raised by law.

Acreage allotments and marketing quotas might not be invoked.

Yields might be extremely high.

Export markets might suddenly be diminished.

Domestic outlets might be curtailed.

If supplies pile up as a consequence of such circumstances, it is important that there be an opportunity for lowering the support price to encourage consumption, to reduce the incentive for high production, and to encourage desired shifts in the pattern of production.

Mandatory price support at 90 percent of parity does not permit these needed adjustments.

#### 4. Assists competitors

The efficient wheat-producing farmers that were in business in 1940 have watched with growing concern the shifting of the right to produce wheat from themselves to other farmers here in the United States as well as in foreign countries. The western Kansas wheat farmer along with the wheat farmers in Texas, Oklahoma, Nebraska, South Dakota, North Dakota, and the other great wheatgrowing States have seen thousands of acres of additional land in the old Dust Bowl area of southwest Kansas, northwest Texas, northwest Oklahoma, and southeast Colorado returned to wheat in violation of the principles of effective soil conservation. They have also seen the less efficient wheat-farming areas of the country that are better adapted to other types of farming shift to the production of wheat. For example, they have seen Michigan expand wheat and go out of the production of dry edible beans because the production of wheat for the Government was a more profitable venture. Now that we have such a tremendous surplus supply of wheat, which is destroying market prices and threatening to overwhelm the farm program in a manner similar to the way it destroyed the old Federal Farm Board, serious cuts in production are being called for. The new areas are claiming their right to produce wheat and the efficient producers in the old areas are being cut drastically. For the most part, the efficient wheat-producing areas can produce wheat better than anything else, yet the support program has built up such surpluses that they are being deprived of their right to produce while other areas which could more efficiently produce alternative crops are staying in the production of wheat due to the high Government incentive prices. The efficient western Kansas wheat farmer along with the efficient wheat-producing farmers in other States also see that the price-support program has encouraged the Canadian, Argentinian, Australian, Turkish, and other wheat farmers of the world to plunge into the production of wheat in competition with him, knowing that the wheat of the United States farmers will be the last to find its way into the world markets. The cotton producer who is looking at the facts is also aware of both domestic and foreign competition which is being aided by the rigid 90-percent price supports. Since 1930 synthetic consumption in the world has increased from the equivalent of 1 million bales of cotton to 13 million bales. Before 1933 America produced more cotton than all the rest of the world. This situation is no longer true today.

In fact, while we have reduced acreage through Government control programs from around 26 million acres to around 17 million acres, the rest of the world has increased the planting of cotton by more than 22 million acres.

Blind adherence to rigid price supports, without regard to the effect upon markets has destroyed the major portion of America's foreign market for cotton.

This market can now only be laboriously recovered by realistically adjusting price supports in order to meet competition in price, quality, and promotion.

#### 5. Lowers net income

With price supports at 90 percent of parity and controls strictly applied, the volume of agricultural production must be sharply curtailed. Net income, not price alone, is the concern of agriculture. Net income is affected by volume and by costs as well as price. Restricting output often raises the cost per unit of production, and of course reduces the number of units sold. Thus, while price may be enhanced by the strict controls necessary to obtain 90 percent of parity, it does not necessarily follow that net farm income increases. As a matter of fact the evidence is quite clear that it decreases.

#### 6. Decreases our freedom of choice

Through marketing quotas, farmers are in effect restricted in the use of their agricultural facilities as their best judgment dictates. Drastic restrictions in production also sharply restrict activity in related agricultural industry. Each step we take toward making farmers dependent upon government lessens their independence and takes the entire country one step closer to a type of government that our forefathers tried to avoid when they set up a limited government.

#### RIGID PRICE SUPPORTS INJURE CONSUMERS

By holding commodities off the market permanently and making them artificially scarce, as contrasted to helping farmers market their products, rigid supports increase the cost of food to consumers. The most striking example is butter. When price supports were lowered by the Secretary of Agriculture from 90 to 75 percent of parity, a corresponding price decrease occurred in the market place. As a result consumption of dairy products increased about 7 percent.

While the detailed facts may be hidden from view, many of the farmers' customers know that something is wrong and they do not like it. The general public became resentful about the potato and egg programs which resulted in the Government removing price supports on these commodities. The general situation with respect to wheat and other commodities is causing similar resentment. Unconsciously the general public understands that if land, labor, and equipment is being used to produce commodities which are not being sold, that someone is paying for this waste. They suspect that somehow they are being unfairly treated. There isn't any question but what consumers ultimately have to pay for using resources to produce what consumers do not want.

The public generally, as well as the farmers, are aware of the fact that the public debt is straining at the \$275 billion limitation and that rigid price supports have helped contribute to this burden. The reality of taxation and the burden of the public debt cannot be explained away to the taxpayer by failing to look at all of the costs. While it is true that the Commodity Credit Corporation has only recorded losses of about \$2¼ billion on the program that it calls price support, it is only fair to point out that billions of dollars have been spent for surplus removal programs, acreage allotment, and marketing quota programs, none of which would have been carried out except for the problems created by price supports. The Department of Agriculture has submitted



facts which make it abundantly clear that rather than the true cost of price support being a billion dollars, that it is many, many times this figure. However, this is not the most important issue. The real question is, Have rigid supports worked? Obviously they have not worked and we are not getting full value for the money spent.

#### SURPLUS DISPOSAL

The Federal Government has billions of dollars worth of surpluses on hand.

The Government is trying to dispose of its stocks without destroying the market or incur the wrath of friendly foreign nations. This is not easy.

It is trying to dispose of them by—

First, sales for dollars in cash.

Second, sales on credit for dollars.

Third, sales for foreign currencies. (Under this program the foreign currencies are being reallocated to the foreign country at very reasonable rates. In many instances, these currencies are being given to the foreign country for economic development.)

Fourth, exchanges for other commodities (barter).

Fifth, gifts to schools for school lunches.

Sixth, gifts for domestic charitable institutions.

Seventh, gifts to friendly foreign countries.

Eighth, gifts to domestic charitable organizations for gifts to foreign peoples (CARE, etc.).

Despite all of these activities, surpluses are continuing to build up in the hands of the Federal Government at a much greater rate than the rate of disposal. It is correct to say that the Government is finding it extremely difficult to even give away stocks at a faster rate than they are accumulating. Yet some people in the face of such facts say we do not have surpluses.

#### DUAL PARITY

Section 106 extends into the indefinite future the provision that for basic commodities the effective parity is the old or new parity price whichever is higher. Such a provision was in effect from 1950 through 1955.

Prior to the adoption of the new parity definition which became effective in 1950, parity prices were sharply criticized because they retained the same pattern of price relationships that existed in 1910-14. One of the major reasons for adopting the new parity formula was to bring and to keep the pattern of price relationships more nearly up to date.

When the new formula increased parity prices, it went into full effect immediately.

To avoid any sharp decline in the parity prices of individual commodities the law provided that the decline in the parity price of any commodity could not exceed 5 percent of the old parity price in any 1 year. This provision was effective for nonbasic commodities beginning in 1950. The Agricultural Act of 1954 provided for a similar transitional provision to become effective on basic commodities in 1956.

The effect of continuing the use of old or new parity, whichever is higher, for basic commodities is acceptance of the new parity formula when it results in a higher parity price and rejection when it results in a lower parity price. This is more generous treatment for basic commodities than for the nonbasic. Furthermore, it is another effort to maintain a rigid support price for the commodities which are already in the most serious trouble as a result of rigid support prices.

Making the parity price the result of whichever of two alternative calculations gives the higher answer raises serious questions about the whole parity concept. If the new parity formula is an improvement over the old formula, and we think it is, it should be accepted for all commodities. If

it is not an improvement it should be rejected for all commodities.

#### RIGID 90-PERCENT SUPPORTS ARE A FAILURE

The facts are well known to farmers, consumers, taxpayers and the Congress.

Rigid price support amounts to a price ceiling at the support level, misdirects the use of agricultural resources by maintaining an excess output, prohibits the proper flow of commodities into consumption, attracts additional imports of commodities in surplus, prices American products out of the world market, injures the income of farmers, injures consumers, and is therefore against the best interests of the country generally.

The Senate should reject the proposal for rigid 90-percent price supports for wheat, cotton, corn, and peanuts for 1956 and 1957 as well as reject the proposal for continuing the dual parity standard of requiring old parity for any so-called basic commodity if it is higher than modernized parity.

Those subscribing to the above minority views are as follows:

SPESSARD L. HOLLAND.  
CLINTON P. ANDERSON.  
GEORGE D. AIKEN.  
BOURKE B. HICKENLOOPER.  
JOHN J. WILLIAMS.

#### APPENDIX A

##### AGRICULTURAL DEVELOPMENTS

(Pt. IV of appendix B of the Economic Report of the President, January 24, 1956)

##### OUTPUT AND STOCKS

Total farm output set a new record in 1955—about 3 percent more than in 1954 and 12 percent more than in 1950. For most major categories of farm commodities, previous records were approached or exceeded.

Output of all livestock and livestock products rose by nearly 3 percent during the year, largely as a result of the 4-percent increase over previous high figures for meat animals while production of poultry and dairy products continued at record levels. Sharply increased pork production and unprecedented beef production furnished meat supplies of 161 pounds per capita, the highest since 1908.

Output of all crops in 1955 closely approached the all-time high of 1948, despite instances of severe weather damage in several areas and acreage restrictions on the six basic crops. Feed grain output was nearly 6 percent higher than in 1954, and second only to 1948. Hay and forage production rose more than 5 percent and was close to the record set in 1942. Output of oil-bearing crops was 10 percent above the previous record level of 1954. Though planted acreage in cotton was 12 percent less than in the previous year, total output increased by 7 percent because of record-breaking yields. Production of food grains was reduced from that in the previous year by smaller acreage allotments on wheat and rice, but the acreage reduction was partially offset by higher yields.

The 1955 crops were produced on about the same total acreage of cropland used in 1954. The index of crop production per acre reached a new high, 5 percent above 1954 and 1 percent above 1948. The man-hours of labor used for farmwork continued the more or less steady decline that had begun in 1919. The 1955 figure was about the same as in 1954 and 39 percent below the 1918 peak. Output per man-hour continued the rise that has been so pronounced since the beginning of World War II; the index reached 130 percent of the 1947-49 average in 1955, an increase of 16 percent since 1950 and 88 percent since 1940.

These summary figures reflect the rapid changes in our commercial agriculture during the last two decades. Increased use of machinery to replace human labor and horses, increased use of fertilizer, widespread

adoption of many new production techniques, and increasing farm size which facilitates adoption of these more efficient methods have all contributed to the rapid rise in output.

At the beginning of the crop year stocks of most major farm commodities were unusually high, and the bulk of the carryover of most price-supported commodities was held by the CCC. Production in 1955 again exceeded market demand at current prices, and CCC inventories and commitments for loans outstanding reached the record level of \$8.2 billion on November 30, 1955. World supplies of many agricultural products are at all-time highs, and surpluses of cotton and wheat are particularly large.

##### FARM PRICE MOVEMENTS

Average prices received by farmers for all products remained fairly stable in the first half of the year, slightly above the level of the last months of 1954. In mid-1955 the impact of the near-record harvest began to be felt, and the index of prices received by farmers declined in almost every month from June through December. On December 15, 1955, the index of prices received was 7 percent below that of a year earlier.

The decline in the average conceals many divergent price movements. The December 1955 index of prices received for poultry and eggs was 32 percent higher than in December 1954, and prices received for dairy products, tobacco, and commercial vegetables were all slightly higher than a year earlier. The largest price declines were in products marked by high current output; and for some of these products, carryover stocks were already abnormally heavy. The December 1955 index of feed grain prices was 16 percent lower than the index in December 1954. Because of the record output, prices of oil-bearing crops decreased by 17 percent between December 15, 1954, and December 15, 1955; and the larger crop of potatoes resulted in sharply lower prices to potato producers. The index of prices received for meat animals was 21 percent lower on December 15 than a year earlier, largely because the average price of hogs had dropped by 38 percent.

The prices paid by farmers for commodities used in family living remained relatively stable during the year. Prices paid for items used in production declined slightly, primarily as a result of lower feed prices. In the last few months these declines were partially offset by increases in the prices paid for motor vehicles and farm machinery. The expansion of nonfarm employment opportunities contributed to a rise in farm wage rates, which at the end of the year were 3 percent higher than a year earlier and more than 5 times the average in the 1910-14 base period. The index of farm real-estate taxes rose by nearly 5 percent during 1955, and that for interest charges by 8 percent. The index of prices paid by farmers, interest rates, taxes, and wage rates are combined to form the parity index, which was at the same level at the end of 1955 as a year earlier.

Since the parity index remained unchanged while the index of prices received decreased during 1955, the parity ratio declined. The average for the year was 84, which was 6 percent below the 1954 average. On December 15, 1955, the parity ratio was 80, or 7 percent less than the figure for a year earlier.

##### FARM INCOME

The increased sales of farm products during the year were not enough to offset the fall in farm prices, and net farm income declined. Realized net farm income of farm operators in 1955 is now estimated at \$10.6 billion, a decrease of 10 percent from 1954.

The number of farms continued to decline as existing farms were enlarged to improve efficiency, but net income per farm dropped by about 9 percent. As the economy expanded and nonfarm demands for labor in-



creased, farm people earned more from non-farm sources, but preliminary indications point to a 6 percent decline in per capita income of farm people from all sources.

Nevertheless, many farmers received higher incomes in 1955 than in 1954. Estimates of the Department of Agriculture made for four types of commercial farms indicate that for some farms 1955 was a much better year than 1954. Cotton farmers in the southern Piedmont region, with unusually high yields for this price-supported crop, found their net incomes increased substantially. For dairy farms in the Central Northeast, the higher-milk output when prices were stable and feed costs somewhat lower resulted in slightly higher incomes. After very low yields in 1954, wheat, small grain, and livestock farms in the Northern Plains generally experienced improved yields in 1955, which raised their income. On the other hand, hog-dairy producers in the Corn Belt found their incomes sharply reduced by lower hog prices which were only partially offset by larger marketings. In the western Corn Belt many producers suffered from a combination of severe drought and low hog prices.

There were also important regional differences in the changes in farm income in 1955 (table 1). Realized net income in New England, the Middle Atlantic States, and the Pacific States averaged approximately the same as in 1954; in the South Atlantic and East South Central regions, it was higher in 1955 than in 1954; and in the West South Central, the East North Central, the West North Central, and the Mountain regions it declined—the decline in the last 3 regions amounting to 20 percent or more. Variations in weather, yields, and individual commodity prices account for most of these variations between regions. Such variations are not unusual in agriculture, and statistics showing total United States farm income often obscure important regional divergences.

TABLE 1.—Realized net income of farm operators, by regions, 1954-55

| Region                   | 1954                   | 1955 <sup>1</sup> | Per-centage<br>change<br>1954 to<br>1955 <sup>1</sup> |
|--------------------------|------------------------|-------------------|-------------------------------------------------------|
|                          | Millions of<br>dollars |                   |                                                       |
| United States total..... | 11, 814                | 10, 576           | -10                                                   |
| New England.....         | 200                    | 197               | -2                                                    |
| Middle Atlantic.....     | 497                    | 497               | 0                                                     |
| East North Central.....  | 2, 266                 | 1, 770            | -22                                                   |
| West North Central.....  | 2, 795                 | 2, 223            | -20                                                   |
| South Atlantic.....      | 1, 604                 | 1, 687            | +5                                                    |
| East South Central.....  | 1, 159                 | 1, 229            | +6                                                    |
| West South Central.....  | 1, 408                 | 1, 264            | -10                                                   |
| Mountain.....            | 723                    | 565               | -22                                                   |
| Pacific.....             | 1, 162                 | 1, 144            | -2                                                    |

<sup>1</sup> Preliminary.  
Source: Department of Agriculture.

AGRICULTURAL FINANCES

Farm prices and incomes generally declined during the year, and both farm mortgage debt and nonmortgage debt rose. Yet total farm asset values and owners' equities in these assets increased, chiefly because the value of farm real estate continued to rise.

Average values of farm real estate on November 1, 1955, were 6 percent higher than a year earlier, and above the peak that had been reached in 1952. There were new record values in nearly half of the States. This strength of farm real estate prices is unusual in the light of the trend in farm prices and incomes and of past relationships. The de-

mand for farm real estate arises in part from the desire of farm operators to enlarge existing farms in order to utilize labor and machines more efficiently. Sales to farm operators accounted for an increasing proportion of farm sales in 1955.

Farm real-estate debt increased by an estimated 10 percent during 1955. It was to be expected that, as land prices moved upward and increasing numbers of younger operators entered farming, farm mortgage debt would rise from its very low level at the end of World War II. However, in historical perspective the present ratio of mortgage debt to real-estate value is low (table 2). The rate of farm foreclosures increased slightly during the year ended March 1, 1955; but it was still below that in any year prior to 1944, only one-ninth of the average for 1925-29, and one-fourteenth of the 1930-34 average. Preliminary indications suggest little change in this rate in 1955.

TABLE 2.—Value of farm real estate and real estate debt, 1920-55

| End of year <sup>1</sup> | Value of farm real estate <sup>2</sup> | Real estate debt | Real estate debt as percent of value | Foreclosure rate per 1,000 farms |
|--------------------------|----------------------------------------|------------------|--------------------------------------|----------------------------------|
| Billions of dollars      |                                        |                  |                                      |                                  |
| 1920.....                | 61.5                                   | 10.2             | 16.6                                 | 3.2                              |
| 1921.....                | 54.0                                   | 10.7             | 19.8                                 | 4.0                              |
| 1922.....                | 52.7                                   | 10.8             | 20.5                                 | 6.6                              |
| 1923.....                | 50.5                                   | 10.7             | 21.2                                 | 11.7                             |
| 1924.....                | 49.5                                   | 9.9              | 20.0                                 | 14.6                             |
| 1925.....                | 48.7                                   | 9.7              | 19.9                                 | 16.7                             |
| 1926.....                | 47.7                                   | 9.7              | 20.2                                 | 17.4                             |
| 1927.....                | 47.6                                   | 9.8              | 20.5                                 | 18.2                             |
| 1928.....                | 48.0                                   | 9.8              | 20.3                                 | 17.6                             |
| 1929.....                | 47.9                                   | 9.6              | 20.1                                 | 14.8                             |
| 1930.....                | 43.6                                   | 9.4              | 21.6                                 | 15.7                             |
| 1931.....                | 37.1                                   | 9.1              | 24.5                                 | 18.7                             |
| 1932.....                | 30.6                                   | 8.5              | 27.7                                 | 28.4                             |
| 1933.....                | 31.9                                   | 7.7              | 24.1                                 | 38.8                             |
| 1934.....                | 33.1                                   | 7.6              | 22.9                                 | 28.0                             |
| 1935.....                | 34.0                                   | 7.4              | 21.8                                 | 21.0                             |
| 1936.....                | 35.1                                   | 7.2              | 20.4                                 | 20.3                             |
| 1937.....                | 35.0                                   | 7.0              | 19.9                                 | 18.1                             |
| 1938.....                | 34.0                                   | 6.8              | 19.9                                 | 14.3                             |
| 1939.....                | 33.6                                   | 6.6              | 19.6                                 | 13.5                             |
| 1940.....                | 34.6                                   | 6.5              | 18.8                                 | 12.6                             |
| 1941.....                | 37.9                                   | 6.4              | 16.8                                 | 10.5                             |
| 1942.....                | 42.1                                   | 6.0              | 14.1                                 | 6.2                              |
| 1943.....                | 48.8                                   | 5.4              | 11.1                                 | 4.4                              |
| 1944.....                | 54.8                                   | 4.9              | 9.0                                  | 3.1                              |
| 1945.....                | 61.8                                   | 4.8              | 7.7                                  | 1.9                              |
| 1946.....                | 69.6                                   | 4.9              | 7.0                                  | 1.5                              |
| 1947.....                | 73.9                                   | 5.1              | 6.9                                  | 1.1                              |
| 1948.....                | 76.8                                   | 5.3              | 6.9                                  | 1.0                              |
| 1949.....                | 75.3                                   | 5.6              | 7.4                                  | 1.2                              |
| 1950.....                | 85.8                                   | 6.1              | 7.1                                  | 1.4                              |
| 1951.....                | 93.7                                   | 6.6              | 7.0                                  | 1.5                              |
| 1952.....                | 92.7                                   | 7.2              | 7.7                                  | 1.5                              |
| 1953.....                | 89.1                                   | 7.7              | 8.6                                  | 1.2                              |
| 1954.....                | 91.4                                   | 8.2              | 8.9                                  | 1.7                              |
| 1955 <sup>3</sup> .....  | 97.0                                   | 9.0              | 9.3                                  | 1.9                              |

<sup>1</sup> Foreclosures are for year ended Mar. 1.  
<sup>2</sup> Figures for 1950-55 will be revised upward in line with the 1954 Census of Agriculture.  
<sup>3</sup> Preliminary.  
Source: Department of Agriculture.

Farmers' financial assets changed very little during the year. Non-real-estate debt rose about 8 percent, but the rise in real-estate values was more than enough to offset total debt increases. Owners' equities rose about 3 percent.

Source: Economic Report of the President, January 1956.

AMENDMENT TO SOCIAL SECURITY BILL

Mr. LONG. Mr. President, 2 weeks ago I submitted an amendment to the social security bill which would have the effect of increasing Federal matching for the assistance to aged persons. This

amendment was introduced on behalf of myself and the senior Senator from Georgia [Mr. GEORGE].

As I stated at that time, I felt particularly honored that the senior Senator from Georgia [Mr. GEORGE] had decided to join me in offering the amendment, inasmuch as the Senator from Georgia has played a major role in the establishment of our social security and public welfare program. He has served as a member of the Senate Finance Committee for many years. During a considerable number of years he has served as chairman of that committee. The Senator from Georgia has presided over many of the sessions that led to the development of the Nation's social security and public welfare programs.

Briefly stated, our amendment would provide that Federal matching for old-age assistance would be increased by providing \$25 of Federal funds to match the first \$5 of State contributions. Thereafter, the Federal Government would match State governments on a 50-50 basis to a maximum payment of \$65 per recipient. In other words, a State contribution of \$22.50 would be matched by \$42.50 of Federal funds.

My colleague, the senior Senator from Georgia, suggested to me that the amendment should include a so-called passalong provision to assure that the increase in Federal funds would result in increased payments to those needy aged persons who are presently receiving monthly payments under State welfare programs.

Accordingly, I have redrafted the amendment to include such a provision. Senators will note that the amendment provides that any State desiring to avail itself of the liberalized matching formula must demonstrate that the average State contribution has not been reduced from the 1955 level. If a State does not desire to comply with this requirement, the States should be permitted to continue Federal matching as under existing law.

The formula established by the McFarland amendment in 1951 would be continued for that purpose. Assuming that each State complies with the requirements of the amendment, this would result in an automatic increase of at least \$5 for all aged persons who are presently receiving as much as \$25 per month in old-age assistance. For those who are receiving as much as \$57.50 per month old-age assistance, the payments would be increased by \$7.50.

Based on figures available for September 1955 the estimated cost of the amendment would be \$184,459,372. A total of 2,552,596 aged persons would be benefited and the average welfare payment to aged persons would be increased from \$52.50 to about \$58.

I ask unanimous consent to place in the RECORD at this point a tabulation showing the amount of money that each State would receive as well as the number of persons affected by the amendment.



proach to a very realistic problem which affects so many people who are not blanketed under the provisions of the social-security law, and who have to turn to this method of aid from the State and Federal Governments in order to keep body and soul together.

Mr. LONG. Mr. President, I appreciate very much the remarks of the Senator from Maine. I should also like to state that I am extremely happy to have as cosponsors a substantial number of Senators on the Republican side of the aisle, as well as on this side.

I should like to say to my good friend from Maine, who was formerly Governor of his State, and who has a knowledge of the need of looking after the welfare of people in a State, I would like to have the Federal matching amount made \$75. If the Senator from Maine cares to offer such an amendment when the proposal comes to the floor, I would be willing to vote for it as a substitute for the provision of \$45 which I am offering.

The only reason for proposing the lesser figure is that I think it is the best we could hope to get at the present time. Perhaps I am in error, however, and if we could obtain a more liberal matching provision, such as that the Senator from Maine proposes, I would be delighted to vote for his proposal and support it.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JOHNSTON of South Carolina. I daresay the Senator from Louisiana took into consideration how much various States would be willing to provide in matching funds. Some States might provide substantial matching funds, but other States might not be in a position to match even the amount proposed. Is that not correct?

Mr. LONG. Yes. What has been provided is that a State must continue to make the same average contribution to the recipient that the State had made before. In some instances, in 1951, when we liberalized the Federal matching funds, certain States were more interested in economizing than in assisting the aged. Some of the States reduced their State contributions at a time when Federal aid was increased. I know that in the State which I have the honor in part to represent, after the additional \$5 of Federal matching funds was voted for, for some time only \$2.50 of that increase was passed along to the aged. After about 2 or 3 years, the \$4 or \$5 increase in Federal matching was passed along.

Of course, the Senator realizes the amendment provides that a State cannot reduce its matching. Therefore, along in July or August there should be an increase to those who would benefit.

Mr. ELLENDER. Mr. President, will my colleague yield?

Mr. LONG. I yield to the senior Senator from Louisiana.

Mr. ELLENDER. Is it not true that it would not be necessary for a State to match the \$5 increase being asked for, and the only provision is that it will have to pay at least as much as it is now paying?

Mr. LONG. It would work this way: When the State puts up the first \$5, in-

stead of putting up \$20 of Federal money, the Federal Government would put up \$25. The only stipulation would be that the State must not reduce its contribution. If the State cared to take \$1 of State money and match it against \$20 of Federal money, it would find it would not receive the benefit of the new matching formula. It would have to rely on the previous law. That is to prevent a State from retrenching in its expenditures because the Federal Government has seen fit to go further.

When the \$55 level was reached, at which point the Federal Government ceases to match under the present law, the Federal Government would continue to match on a 50-50 basis up to a figure of \$75.

I wish to thank my colleague, the distinguished senior Senator from Louisiana, for his assistance in working out the amendment, and also for supporting the amendment. I believe with his help and that of other cosponsors, we will be able to have the amendment agreed to.

Mr. JOHNSTON of South Carolina. What the Senator has stated points up what I said, that some States would refrain from matching anymore than \$5 above the \$55, which would bring the amount to \$60. Some States have a hard time meeting their financial obligations, and might hold back on the payments. They should not do it, but they may of necessity do it.

Mr. LONG. I completely agree with the Senator. I hope the State of South Carolina not only will not reduce the average State contribution, but will pass along the increase, which would be \$5 for the average person receiving old age assistance in South Carolina.

Mr. JOHNSTON of South Carolina. I hope so.

Mr. LONG. I hope the State of South Carolina will find it possible to provide additional revenues for the welfare program of that State. My good friend from South Carolina knows that the State of Louisiana has about twice as many people who are receiving assistance as has the State of South Carolina. As a former governor of South Carolina and also as a Senator from that State, I know the Senator has worked diligently to provide aid for the needy and the aged. If sufficient revenues can be found, I know this liberalized formula will result in providing aid to needy persons who today are receiving no welfare assistance.

Mr. JOHNSTON of South Carolina. While I was Governor, I fought for having the funds matched at all times, and to make sure that people would receive every dollar to which they were entitled through matching Federal funds. I for one would have been glad to see the payments go to \$75. I certainly hope my State will do what is necessary if more funds are required to match Federal funds.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. LANGER. The Senator from North Dakota cannot resist the temptation to advise the Senator that the State of North Dakota was the first State in the Union to pass an old-age pension

law. That law was enacted in 1933 before Dr. Townsend was ever heard of. To show the Senator that there were some reactionaries in the Senate, after the House passed a decent old-age pension bill, believe it or not, the Senate reduced the aid to \$2.50 a month.

So the distinguished Senator from Louisiana can see what great progress we have made. Franklin D. Roosevelt became President at about that time; and the Senator from Louisiana knows that shortly thereafter we began to provide some funds for the aged people of the United States.

So I cannot resist letting the Senate and the rest of the world know that North Dakota had the first old-age pension law in the United States.

Mr. LONG. And unless I miss my guess, Mr. President, the distinguished senior Senator from North Dakota [Mr. LANGER] played an important part in the enactment of that first old-age pension law.

Mr. LANGER. Yes. I was Governor of North Dakota at the time, and I am very proud that that was one of the accomplishments of my administration.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Louisiana yield further to me?

The PRESIDING OFFICER (Mr. DANIEL in the chair). Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. I yield.

Mr. JOHNSTON of South Carolina. Let me ask this question of the Senator from Louisiana: Is it not also true that many States have penalized the aged persons within their borders by making such rigid requirements in connection with participation in the old-age pension plans that their elderly citizens can scarcely receive any benefits? For instance, if an aged person has even purchased a cow, sometimes that person will be removed from the old-age pension rolls.

Mr. LONG. Such situations are what have troubled many of us. I know that Louisiana probably has the most liberal requirements, insofar as old-age assistance is concerned. On the other hand, in some States the old-age pension plans require that a recipient of old-age assistance must, if he owns a home, place a mortgage on his home; and then, after he dies, the home goes under the auctioneer's hammer, in an effort to get back some of the old-age assistance funds which went to that person. In some instances, I understand some State welfare plans even require the selling of an elderly woman's gold wedding ring prior to her burial, if she is to be declared eligible to receive any old-age assistance during her lifetime.

Prior to the time the Louisiana plan was liberalized a story was told about an elderly man who was receiving a little assistance through the old-age pension rolls. One day an investigator found that that elderly man had some canned goods on his shelf. So he was taken off of the rolls and was denied the meager welfare check he had been receiving. After a few months had passed he was again permitted to receive a \$5 check monthly; but then someone found that he had gone



fishing and had caught a little string of perch, so again he was removed from the old-age pension rolls.

We have disagreed vigorously with the concept that old-age pension payments should be denied to a person who has any income whatever.

So, Mr. President, I hope that all the States will make their old-age assistance plans more liberal, so that more elderly persons will be entitled to enjoy the benefits of the program.

The PRESIDING OFFICER (Mr. DANIEL in the chair). If the Senator from Louisiana will permit, the present occupant of the chair desires to commend the Senator from Louisiana for offering the amendment; and the present occupant of the chair, the junior Senator from Texas, would like to join in sponsoring it.

The Chair hopes that all the States of the Union will take steps to enable their elderly citizens to receive increased assistance, so as to be able to catch up with the cost of living.

Mr. LONG. Mr. President, I am very grateful to the present occupant of the chair for making that statement, and I am very glad to have the distinguished junior Senator from Texas join in sponsoring this measure.

In connection with this proposal, let me point out that under the proposed amendment to the law, we anticipate that 223,043 persons in Texas would benefit.

Similarly, let me point out to the distinguished Senator from South Carolina that in the case of his State, we expect that under the proposed amendment to the law, 43,281 persons would benefit. However, I hope that the great State of South Carolina may be able to find additional revenues with which to match more of the Federal funds which we hope to make available, so that number can be increased.

I know that Louisiana has about three times that number of persons who are receiving old-age assistance; and I hope that South Carolina can take even greater advantage of the proposed amendment to the law than might be anticipated as a result of the chart I have placed in the Record.

Mr. JOHNSTON of South Carolina. Mr. President, I am satisfied that South Carolina will obtain the necessary revenue, all right. We have sufficient revenue for that purpose, and I believe we shall provide it in this connection. If I had not thought so, I certainly would not have joined in sponsoring the proposal.

Mr. LONG. I thank the Senator from South Carolina.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. CARLSON. Mr. President, I send to the desk an amendment I intend to offer to Senate bill 3183, and I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment of the Senator from Kansas

will be received and printed, and will lie on the table.

Mr. CARLSON. Mr. President, the amendment is submitted by me, on behalf of myself, the senior Senator from Oregon [Mr. MORSE], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from South Dakota [Mr. CASE], the junior Senator from Nebraska [Mr. CURTIS], the junior Senator from Washington [Mr. JACKSON], the junior Senator from Oregon [Mr. NEUBERGER], and the junior Senator from Michigan [Mr. McNAMARA].

The amendment comprises the bill known as the bill for domestic parity for wheat—sometimes incorrectly known as the two-price system. I expect to debate the amendment next week, when the amendment comes up for consideration.

Mr. President, some of us believe the time has come when we must deal with some of our farm crops by commodities, instead of dealing with them on an across-the-board parity basis. Personally, I do not think either rigid price supports or flexible supports will solve the farm problem. I believe we shall have to approach the problem on a commodity basis, and I think that is especially true in the case of wheat. I believe it would be just as ridiculous for us to assume, as we study this entire program, that we could conduct our tariffs on an across-the-board basis. That simply could not be done and would not be done.

We hope to have the amendment adopted next week, whenever I am able to obtain the floor.

I wish to say that the amendment provides for the holding of a referendum, under which the wheatgrowers themselves will determine whether they wish to enter into this program, if it is approved by the Congress.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, will the Senator from Louisiana yield for some questions?

Mr. ELLENDER. I gladly yield.

Mr. ALLOTT. For the sake of the legislature record, I should like to ask the Senator several questions.

First of all, with respect to the so-called basic commodities enumerated in section 203, what is the Senator's opinion as to the effect of the bill upon the farmers who are not engaged in the growing of any of such basic commodities?

Mr. ELLENDER. Does the Senator mean in regard to the soil bank?

Mr. ALLOTT. Yes.

Mr. ELLENDER. They could participate only in the conservation-reserve program.

Mr. ALLOTT. That would leave them under the reserve program. For example, in Colorado there are a great num-

ber of irrigated farms which produce perhaps 15 or 20 acres of wheat, some sugar beets, hay, and feed crops. The point I wish to make is that under the acreage-reserve program which is subtitle A, except as applied to such small wheat acreage as they grow, there would be no application to them at all.

Mr. ELLENDER. None at all. They would come under what we call the second prong of the plan.

Mr. ALLOTT. They would come under it so far as wheat is concerned; but since Colorado, under the allotment plan, is not a commercial corn State, corn grown in Colorado would not be covered by the first section.

Mr. ELLENDER. The Senator is correct.

Mr. ALLOTT. I move now to the second prong. I forget which Senator it was who had a colloquy with the distinguished Senator from Louisiana yesterday afternoon on this subject; but referring to subparagraph (1) of section 207 (a), on page 12, it provides as follows:

(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water-storage facilities, or other soil, water, wildlife, or forest conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage).

As I understand, the process of merely leaving the land alone, to grow its own protective coverage, would not qualify under that section.

Mr. ELLENDER. Land can qualify for the conservation reserve only if it were cropland. The Secretary could no doubt agree in the contract between the Department and the farmer, that if a native grass would conserve the soil, that practice could be followed as a method of participation. But let us not forget that the second prong of this program applies, and can be made to work, only with respect to acres which produce some kind of crop, be it a row crop, or, as I explained yesterday, tame hay, or alfalfa—in either case, it must be land which had previously been planted, no matter whether that particular crop is cultivated yearly or not. In some States, certain hays are planted, and they produce hay for 4 or 5 or 6 years. Under the terms of the bill, the Secretary would be permitted to enter into a contract with respect to such acreage.

Mr. ALLOTT. I shall try to make my particular problem specific. I see the distinguished Senator from Wyoming [Mr. O'MAHONEY] in the Chamber. I am sure he anticipates what I am getting at.

In the high Plains States there are areas in which it is impossible to grow such things as grasses, except over a long period of years. For example, only yesterday I was talking with the President of the American National Cattle-men's Association. He pointed out that fact. He and others have land with which I am familiar, which required as much as 15 or 20 years to re-cover with grass. So the planting of grasses would be of no use. It would be a waste of money. Alfalfa or hay requires too much



water. The only thing which would perhaps come under subparagraph (1) would be row crops of one kind or another.

Mr. ELLENDER. Let me state to my good friend from Colorado that there is a third program, known as the Great Plains program, which is not incorporated in this bill. It is a separate and distinct program, which I hope will be enacted, so as to take care of the land to which the Senator is now referring. We did not think it advisable to include the Great Plains program in this bill, in which we had, as our first objective under phase 1 of the soil bank, the discouragement of production of crops on allotted acres—production which would tend further to aggravate our surpluses of basic commodities.

The second phase of the program—the conservation reserve, which we are now discussing—applies to any lands devoted to the production of any crops. It is felt that if we can put into that program as much as 20 million or 25 million acres, it will no doubt reduce the production of many small grains which are now on the market, and which are really affecting the price of corn and wheat grown for feed, as well as other prices.

Mr. ALLOTT. I am sure the distinguished Senator realizes that in that particular area the only alternative to grass, which takes a long time to develop, or wheat, is to be found in the small grains, the sorghums, milos, maize, and crops of that sort. I am sure the distinguished Senator agrees with me that the attempt to grow more and more of such grains would only in turn accentuate the wheat problem and the small grains problem which we now have.

Mr. ELLENDER. The Senator is correct.

Mr. ALLOTT. Is it the intention of the committee to proceed with the Great Plains program?

Mr. ELLENDER. Yes; I expect the Committee will do so as soon as recommended legislation is drafted by the Department of Agriculture. It is really the third phase of the soil bank. A special study was made of a program to meet a problem which is peculiar to the Midwestern States.

The legislation has not yet been drafted; that is why we did not put it in with that program.

Mr. ALLOTT. I am familiar with that.

Mr. ELLENDER. I am very hopeful that we will be able to take care of that phase of the soil-conservation program soon.

Mr. ALLOTT. I am happy to hear the Senator say that it is the intention of the Committee on Agriculture and Forestry to go forward with it. If the Senator from New Mexico wishes to take the floor now, I shall be glad to pursue the matter further with the Senator from Louisiana at a later time.

Mr. ANDERSON. Mr. President, I have asked the Senator from Colorado to be kind enough to yield to me now because I wish to put some basic material into the RECORD, and I thank him for his courtesy.

I am very sorry that I was not on the floor of the Senate the other afternoon when some very fine tributes were paid to the chairman of the Committee on Agriculture and Forestry for his work on the bill. Regardless of how we may differ on the final votes, I would certainly be unfaithful to every impulse I have if

I did not commend the Senator from Louisiana for his long trip around the country, for his hard work in committee, and for his steady insistence that an agricultural bill get to the floor of the Senate.

We may differ in connection with a great many votes as the bill comes along, but as I put into the RECORD my expressions of some of my opinions as to the proposed legislation, I certainly also wish to put into the RECORD my expression of opinion of the very able Senator from Louisiana [Mr. ELLENDER].

Mr. President, there is some basic material which may be profitable to have in the RECORD, so that we may have an opportunity to look at it and perhaps use it in the discussions that lie ahead.

We shall have a discussion of the wheat problem. The able Senator from Colorado [Mr. ALLOTT] is concerned with that right now, as are all the people who are involved in the production of wheat.

We have a great deal of difficulty with our wheat picture. Although our stocks on hand are more than enough to take care of our needs for a long time in the future.

I desire to submit for the RECORD at this time a tabulation of the production, stocks, and markets of wheat. It shows the figures for the periods 1935 to 1939, from 1945 to 1949, from 1950 to 1954, and then for the years 1953, 1954, and 1955.

I ask unanimous consent that that chart may be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

#### Wheat: Production, stocks, markets

(Million bushels, except as otherwise indicated)

| Crop year beginning July 1                                               | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953    | 1954    | 1955 estimate   |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------|---------|-----------------|
| Carry-in.....                                                            | 154.5              | 193.2              | 508.3              | 562.5   | 902.4   | 1,020.6         |
| Production.....                                                          | 758.6              | 1,202.4            | 1,090.7            | 1,169.5 | 984.8   | 938.2           |
| Imports.....                                                             | 14.2               | 1.2                | 15.0               | 5.5     | 4.4     | 4.0             |
| Total supply.....                                                        | 927.3              | 1,396.9            | 1,614.0            | 1,737.5 | 1,891.6 | 1,962.8         |
| Domestic consumption <sup>1</sup> .....                                  | 692.7              | 759.1              | 656.6              | 618.6   | 597.3   | 623             |
| Exports.....                                                             | 53.3               | 415.4              | 329.9              | 216.5   | 273.7   | 275             |
| Total disappearance.....                                                 | 746.0              | 1,174.5            | 986.5              | 835.1   | 871.0   | 898             |
| Carry-out.....                                                           | 181.3              | 222.4              | 627.5              | 902.4   | 1,020.6 | 1,064.8         |
| United States exports as a percentage of world trade (percent).....      | 8.8                | 47.6               | 34.3               | 24.7    | 29.1    | <sup>2</sup> 29 |
| Calendar year                                                            |                    |                    |                    |         |         |                 |
| Per capita civilian consumption of wheat flour (pounds).....             | 157                | 144                | 129                | 126     | 124     | 121             |
| Per capita civilian consumption of wheat breakfast cereals (pounds)..... | 3.3                | 3.2                | 3.1                | 3.1     | 3.1     | 3.1             |

<sup>1</sup> This is a residual figure.

<sup>2</sup> Based on the following statement: "World wheat trade in 1955-56 may approximate that of 1954-55."—The Wheat Situation, WS 146, Oct. 31, 1955, Agricultural Marketing Service, U. S. Department of Agriculture.

"Practically all our wheat and flour exports now move only under direct subsidy or under special export programs."—Economic Report of the President, January 1956.

|                                                                                         |       |
|-----------------------------------------------------------------------------------------|-------|
| United States quota under International Wheat Agreement, 1955-56 (million bushels)..... | 196.5 |
| Total export quota under International Wheat Agreement, 1955-56 (million bushels).....  | 395.0 |
| United States quota as a percentage of total quota (percent).....                       | 49.8  |

#### Cost of Wheat Agreement subsidies to United States:

|                       | Total cost    | Cents per bushel |
|-----------------------|---------------|------------------|
| 1950-51.....          | \$178,179,517 | 67.0             |
| 1951-52.....          | 166,928,526   | 65.5             |
| 1952-53.....          | 138,990,015   | 54.3             |
| 1953-54.....          | 55,893,000    | 47.0             |
| 1954-55.....          | 98,482,076    | 74.8             |
| 1955-56 estimate..... | (*)           | (*)              |

\* Subsidy rates on Jan. 30, 1956, were 66 to 87 cents per bushel, depending on port, type of wheat, and destination.



Mr. ANDERSON. I merely wish to say that a look at the chart will indicate one of the problems which face the wheat producers. The per capita consumption of wheat flour has dropped from 157 pounds in the period from 1935 to 1939, down to 121 pounds today. Therefore, even though there has been an increase, indeed, a very substantial increase, in the population, the consumption of wheat remains at about 500 million bushels. We do not change the consumption by any stimulation which we would like to give to it, and the only hope for any real increase in the consumption is to be realized by the use of the commodity in all types of feeds, such as for livestock and products which result from the conversion of wheat into meat, eggs, and so forth.

If we were to start tomorrow to ascertain how best to conserve wheat in the United States, the answer would be to ask people to eat more bread. I say that because if the people eat wheat only in the form of bread, they are actually not able to consume very much of it; but if they eat wheat in the shape of various other nutritious foods, they can consume a great deal of it.

That is why, in the discussion of these agricultural problems, it becomes difficult to realize that the commodity we are discussing may not itself be consumed by human beings to the same degree it would be if it could be transformed into other foods.

In the case of wheat the great problem is to find something to induce people to eat more nutritious foods which depend on the consumption of wheat.

*Cotton: Production, stocks, markets*

[Million running bales, except as otherwise indicated]

| Crop year beginning Aug. 1                                          | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953              | 1954              | 1955<br>estimate |
|---------------------------------------------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|------------------|
| Carry-in.....                                                       | 8.3                | 5.9                | 5.5                | 5.6               | 9.7               | 11.1             |
| Production.....                                                     | 12.8               | 12.0               | 14.0               | 16.4              | 13.6              | 14.5             |
| Imports.....                                                        | .2                 | .2                 | .1                 | .1                | .1                | .1               |
| Total supply <sup>1</sup> .....                                     | 21.3               | 18.1               | 19.6               | 22.1              | 23.5              | 25.7             |
| Domestic consumption.....                                           | 7.0                | 9.1                | 9.3                | 8.6               | 8.8               | 9.2              |
| Exports.....                                                        | 5.3                | 3.9                | 4.0                | 3.8               | 3.4               | 2.4              |
| Total disappearance <sup>1</sup> .....                              | 12.3               | 13.0               | 13.3               | 12.4              | 12.3              | 11.7             |
| Carry-out <sup>1</sup> .....                                        | 9.0                | 5.0                | 6.3                | 9.7               | 11.1              | 14.0             |
| United States exports as a percentage of world trade (percent)..... | 42.2               | 39.8               | 33.7               | 29.6              | 29.3              | 20.0             |
| Calendar years                                                      |                    |                    |                    |                   |                   |                  |
| Per capita civilian consumption of cotton (pounds).....             | 25.5               | 31.0               | 28.8               | <sup>2</sup> 27.9 | <sup>2</sup> 25.4 | -----            |
| Per capita civilian consumption of rayon and acetate (pounds).....  | 2.6                | 6.6                | 7.9                | <sup>2</sup> 7.7  | <sup>2</sup> 7.1  | -----            |

<sup>1</sup> Due to rounding, items do not always add to total.

<sup>2</sup> Preliminary.

Mr. ANDERSON. The chart indicates that we have been building up a very substantial carryover of cotton year by year. We have increased it from year to year, but the interesting fact is that the United States export of cotton as a percentage of world trade has been dropping very rapidly. In the period 1935 to 1939 United States exports of cotton as a percentage of world trade represented 42.2 percent. In the period 1945 to 1949, it was 39.8 percent. In the period 1950 to 1954, it was 33.7 percent. In 1953, it was 29.6 percent. In 1954, it was 29.3 percent. In 1955 it was about 20 percent.

Gradually we are losing our world markets for cotton. Gradually, also, the areas of the world which depend upon synthetics are finding an increasing demand for those products. The consumption of rayon and acetate has risen from an equivalent of 2.6 pounds in the 1935-39 period to something over 7 pounds at the present time.

The per capita civilian consumption of cotton goods has stayed at about 25 pounds. Therefore, the problem is not like the problem with respect to wheat. We have not lost the market so far as the domestic consumption is concerned. We have lost the world market, and we cannot get it back very easily.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. Is it not a fact that in 1950, soon after the war in Korea started, we had to put an embargo on cotton exports, because at that time we had less than 2 million bales on hand?

Mr. ANDERSON. I do not agree that we had to do it. I agree we did it.

Mr. ELLENDER. We did it. The administration thought we had to do it in order to keep sufficient cotton on hand for our use.

Mr. ANDERSON. It was done. At the same time, if we are to go back into cotton history, we must go back to the time when we did not put quotas on cotton, or acreage allotments. I think we should have put on a limitation in 1953.

Mr. ELLENDER. I doubt that we could have put on a limitation in 1950.

Mr. ANDERSON. I did not say 1950. I said 1953. In 1952 the farmers of this country should have been asked to adopt cotton quotas for the 1953 crop.

Mr. ELLENDER. The Senator will remember that the Korean war was in progress, and that is why crop controls were not applied.

Mr. ANDERSON. The Korean war was in progress, but it was not a very aggressive conflict at that time, and the need for cotton had pretty largely disappeared so far as the armed services were concerned.

I believe it is also worth while to bear in mind that under the International Wheat Agreement we have increased the cost of our wheat subsidies. The last figures we had show that in 1954 and 1955 we were paying about 74.8 cents a bushel for subsidies. At the present time we cannot move wheat even with an 87-cents-a-bushel subsidy. I do not believe we could move it even if we had a subsidy of a dollar a bushel. That presents one of the real problems with respect to wheat.

The second chart I wish to present for the RECORD is a chart which deals with cotton. I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Mr. ELLENDER. But the Senator will agree that the existence of hostilities in Korea is the reason why quotas were not put on in 1953.

Mr. ANDERSON. The argument was made—and I do not wish to go into it—that 1952 was an election year, and that may have had something to do with it. However, regardless of that, we did not impose quotas at the time when we should have done so, and we proceeded to get ourselves into all kinds of trouble as a result.

Here again it is said that the Secretary of Agriculture can bring the matter under control, because the agricultural act provides that the acreage can be brought down to 10 million acres. However, it must also be borne in mind that the Secretary in his calculations must use a 5-year period in estimating what the average production is, and doing that he finds that production went up tremendously last year. For example, in the State of Arizona, if I remember correctly, the average production in 1955 was more than 1,000 pounds per acre. Knowing something about the poor areas of Arizona, so far as cotton is concerned, it is necessary to have acre after acre producing 3 bales.

We have that situation. Farmers have used enormous quantities of fertilizer. I myself gave an illustration of a farmer



who approached me with regard to his problem of acreage. He had had something like 135 acres of cotton on which he had produced about a bale and a half to the acre. His acreage was cut to 70 acres, and he fertilized the 70 acres to the point where he raised more cotton from that smaller acreage than he had raised on 135 acres. Under such circumstances it is extremely difficult to bring a commodity under control.

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield at that point?

Mr. ANDERSON. I yield.

Mr. ELLENDER. May I point out to my good friend that last year was unprecedented, from the point of weather conditions. I do not suppose our farmers ever had a year at any time in our history that was so suitable for the growing of all crops. I wish to point out that in 1955, with 2,200,000 acres less than were planted in 1954, we produced a little over 1 million bales more cotton.

Mr. ANDERSON. That is what I am trying to show. The farmer was cut down in acreage in 1955 to a greater degree, but he spent extra money for fertilizer, he worked harder, and produced a bigger yield.

Mr. ELLENDER. The same situation occurred in 1954, but only 13 million bales of cotton were produced. The weather that year was not as good as in 1955.

So, rains at the proper time, and other conditions, are really the things that enabled the farmers to produce such a huge quantity of cotton and other crops last year.

Mr. ANDERSON. I think the rains came pretty well in 1954. There was a greater incentive on the part of farmers to produce, and they did produce. Although the acreage of cotton will be down somewhat in 1956, it will not come down enough to make any appreciable dent in the great oversupply of cotton we have on hand.

Mr. CURTIS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CURTIS. I have a very high regard for the opinion of the Senator from New Mexico, and I should like to ask him this question: With regard to the high cost of operation of farms with present-day methods, to what extent does it put pressure on the farmer to produce everything he can produce under any system Congress can enact?

Mr. ANDERSON. I think the Senator will agree with me that whenever the farmer is confronted with increasing production costs he faces the obligation to produce as much as he can or give up his farm. That situation has been steadily going on. I have disposed of some farm equipment within the past year or so. For one piece of equipment

5 or 6 years old I received more than I paid for it originally.

Mr. CURTIS. It seems to me that as acreage restrictions and other factors have further and further reduced the size of a farming unit, the farmer has been faced with two alternatives. One is to surrender his farm as being no longer an economical unit, and sell it to a larger producer, or make what he has left produce more.

Mr. ANDERSON. I think he has no other alternative.

I turn, Mr. President, to the tobacco picture, because there we have a product which has been very carefully controlled. Even though production has gone up very sharply, it has merely followed an increase in consumption.

The domestic consumption of burley tobacco has increased from 305 million pounds to approximately 500 million pounds, at the same time production was increasing from 15 million pounds to 500 million pounds. That is why the tobacco program has had a very satisfactory history and an acceptance by the growers of the United States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing production, stocks, and markets of burley tobacco and flue-cured tobacco.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Burley tobacco: Production, stocks, markets (farm-sales-weight basis)

[Million pounds, except as otherwise indicated]

| Crop year beginning Oct. 1 | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953    | 1954    | 1955 estimate |
|----------------------------|--------------------|--------------------|--------------------|---------|---------|---------------|
| Carry-in.....              | 673.6              | 885.9              | 1,080.9            | 1,163.4 | 1,198.2 | 1,347.8       |
| Production.....            | 315.8              | 567.9              | 599.8              | 564.4   | 667.2   | 509.8         |
| Total supply.....          | 989.4              | 1,453.8            | 1,680.7            | 1,727.8 | 1,865.4 | 1,857.6       |
| Domestic consumption.....  | 305.3              | 480.5              | 498.7              | 495.0   | 484.8   | 500           |
| Exports.....               | 12.0               | 39.1               | 31.6               | 34.6    | 32.8    | 33            |
| Total disappearance.....   | 317.3              | 519.6              | 530.3              | 529.6   | 517.6   | 533           |
| Carryover.....             | 672.1              | 934.2              | 1,150.4            | 1,198.2 | 1,347.8 | 1,324.6       |

Flue-cured tobacco: Production, stocks, markets (farm-sales-weight basis)

[Million pounds, except as otherwise indicated]

| Crop year beginning July 1                                                                      | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953    | 1954    | 1955 estimate |
|-------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------|---------|---------------|
| Carry-in.....                                                                                   | 881.6              | 1,329.8            | 1,708.0            | 1,851.9 | 1,915.1 | 2,056.6       |
| Production.....                                                                                 | 863.6              | 1,209.4            | 1,332.3            | 1,272.2 | 1,314.4 | 1,504.1       |
| Total supply.....                                                                               | 1,745.2            | 2,539.2            | 3,040.3            | 3,124.1 | 3,229.5 | 3,560.7       |
| Domestic consumption.....                                                                       | 364.4              | 694.0              | 776.6              | 777.7   | 744.1   | 780           |
| Exports.....                                                                                    | 367.8              | 443.8              | 441.3              | 431.3   | 428.8   | 500           |
| Total disappearance.....                                                                        | 732.2              | 1,137.8            | 1,217.9            | 1,209.0 | 1,172.9 | 1,280         |
| Carryover.....                                                                                  | 1,013.0            | 1,401.4            | 1,822.4            | 1,915.1 | 2,056.6 | 2,280.7       |
| Calendar years                                                                                  |                    |                    |                    |         |         |               |
| United States exports as a percentage of world trade (all types).....                           | 36.5               | 46.3               | 37.7               | 39.9    | 35.1    | 40            |
| Per capita (15 years and over) civilian consumption of cigarettes (pounds).....                 | 4.65               | 8.75               | 9.66               | 10.03   | 9.48    | 9.68          |
| Per capita (15 years and over) consumption by civilians and overseas Armed Forces (pounds)..... | 4.65               | 9.25               | 10.01              | 10.46   | 9.84    | 9.96          |



Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. When we consider the increase in production, I believe the full picture becomes plain. With respect to cotton, in 1954, on 19,791,000 acres the production was 13,696,000 bales, and in 1955, on 17,489,000 acres, the pro-

duction was 14,663,000 bales, indicating that 1955 was a banner year. The same is true for almost every crop planted.

Mr. ANDERSON. It is a question of whether we give full credit to the weatherman for those things or give a little credit to the farmer. As the Senator from Nebraska [Mr. CURTIS] has pointed out, the farmer tries to get from

his land the greatest possible returns.

Mr. President, I ask unanimous consent to have printed in the RECORD a table having to do with soybeans, indicating, again, a pretty satisfactory relationship of this crop to the production.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Soybeans: Production, stocks, markets  
[Million bushels, except as otherwise indicated]

| Crop year beginning Oct. 1                                                                                  | 1935-39 average | 1945-49 average   | 1950-54 average | 1953              | 1954  | 1955 estimate |
|-------------------------------------------------------------------------------------------------------------|-----------------|-------------------|-----------------|-------------------|-------|---------------|
| Carry-in.....                                                                                               | .5              | 4.7               | 4.4             | 10.1              | 1.3   | 10.0          |
| Production.....                                                                                             | 56.2            | 208.9             | 298.0           | 268.5             | 341.6 | 371.3         |
| Total supply <sup>1</sup> .....                                                                             | 56.6            | 213.5             | 302.4           | 278.7             | 342.9 | 381.3         |
| Crushings for oil and meal.....                                                                             | 35.5            | 174.0             | 238.6           | 213.2             | 249.0 | 275.0         |
| Exported as beans.....                                                                                      | 4.1             | 9.1               | 35.3            | 39.5              | 60.1  | 70.0          |
| Seed and feed <sup>2</sup> .....                                                                            | 16.6            | 26.7              | 22.7            | 24.5              | 23.7  | 28.0          |
| Total disposition <sup>1</sup> .....                                                                        | 56.2            | 209.8             | 296.5           | 277.2             | 332.8 | 373.0         |
| Carryover <sup>1</sup> .....                                                                                | .5              | 3.7               | 5.8             | 1.3               | 10.0  | 8.0           |
| Exports of soybeans and soybean oil, bean equivalent basis.....                                             | 5.0             | 27.5              | 55.4            | 46.5              | 65.0  | -----         |
| United States exports as a percentage of world trade (soybeans and soybean oil, bean equivalent basis)..... | 5.6             | <sup>3</sup> 80.0 | 65.6            | <sup>3</sup> 69.7 | 61.9  | -----         |

<sup>1</sup> Due to rounding, items do not always add to total.  
<sup>2</sup> Includes residual.

<sup>3</sup> Unofficial estimates. Based on data from various sources.

Mr. ANDERSON. Mr. President, merely because I shall be referring to it at a later date in connection with some other discussions we shall have,

I ask unanimous consent to have printed in the RECORD at this point a table having to do with the production of rough rice.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Rice (rough): Production, stocks, markets  
[1,000 hundredweight, except as otherwise indicated]

| Crop year beginning Aug. 1                                   | 1935-39 average  | 1945-49 average   | 1950-54 average | 1953   | 1954                | 1955 estimate       |
|--------------------------------------------------------------|------------------|-------------------|-----------------|--------|---------------------|---------------------|
| Carry-in.....                                                | 2,637            | 1,332             | 3,820           | 1,515  | 7,557               | 26,700              |
| Production.....                                              | 22,434           | 35,522            | 49,969          | 52,761 | <sup>1</sup> 64,216 | <sup>1</sup> 53,420 |
| Imports.....                                                 | 1,374            | 74                | 432             | 417    | 64                  | 100                 |
| Total supply <sup>2</sup> .....                              | 28,860           | 36,665            | 53,849          | 56,018 | 67,869              | 77,260              |
| Domestic consumption.....                                    | 20,088           | 21,467            | 25,548          | 25,753 | 27,050              | 26,360              |
| Exports.....                                                 | 3,245            | 13,483            | 19,835          | 22,708 | 14,119              | 23,000              |
| Total disappearance.....                                     | 23,333           | 34,950            | 45,383          | 48,461 | 41,169              | 49,360              |
| Carryout.....                                                | 3,527            | 1,715             | 8,466           | 7,557  | 26,700              | 27,900              |
| Calendar years                                               |                  |                   |                 |        |                     |                     |
| United States exports as a percentage of world trade.....    | <sup>3</sup> 1.2 | <sup>4</sup> 13.6 | 13              | 17     | 12                  | 11                  |
| Per capita civilian consumption of milled rice (pounds)..... | 5.7              | 4.6               | 5.3             | 5.3    | 5.3                 | 5.3                 |

<sup>1</sup> Does not include production of minor States—Missouri, South Carolina, Arizona and Florida.  
<sup>2</sup> Items do not add to total. Total supply adjusted to equal total distribution.

<sup>3</sup> 1936-40 average.  
<sup>4</sup> 1946-50 average.

Mr. ANDERSON. Mr. President, one of the things which persuaded the able senior Senator from Florida [Mr. HOL- LAND], I believe, to take the position he has taken on agricultural questions has

been the experience which the citrus- fruit growers have had in his State.

I ask unanimous consent to have printed in the RECORD at this point a table having to do with fresh citrus fruits and

with the production and marketing of those commodities.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Fresh citrus fruits: Production, markets  
[Million pounds, except as otherwise indicated]

| Calendar year                   | 1935-39 average | 1945-49 average | 1950-54 average | 1953  | 1954  | 1955 estimate |
|---------------------------------|-----------------|-----------------|-----------------|-------|-------|---------------|
| Production.....                 | 6,876           | 9,115           | 7,507           | 7,838 | 7,576 | 7,798         |
| Imports.....                    | 32              | 13              | 25              | 37    | 13    | -----         |
| Total supply <sup>1</sup> ..... | 6,907           | 9,129           | 7,532           | 7,875 | 7,589 | -----         |
| Domestic disappearance:         |                 |                 |                 |       |       |               |
| Civilian consumption.....       | 6,345           | 8,121           | 6,629           | 6,776 | 6,552 | -----         |
| Armed Forces.....               | -----           | 245             | 106             | 121   | 108   | -----         |
| Exports and shipments.....      | 562             | 763             | 797             | 978   | 929   | -----         |
| Total distribution.....         | 6,907           | 9,129           | 7,532           | 7,875 | 7,589 | -----         |

Footnotes at end of table.



Fresh citrus fruits: Production, markets—Continued

| Calendar year                                                 | 1935-39 aver-<br>age | 1945-49 aver-<br>age | 1950-54 aver-<br>age | 1953 | 1954 | 1955 estimate |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|------|------|---------------|
| United States exports as a percentage of world trade:         |                      |                      |                      |      |      |               |
| Oranges.....                                                  | 9.9                  | 10.2                 | <sup>2</sup> 12.6    | 14.5 |      |               |
| Grapefruit.....                                               | 28.2                 | 54.6                 | <sup>2</sup> 48.0    | 47.0 |      |               |
| Lemons.....                                                   | 7.9                  | 9.5                  | <sup>2</sup> 7.6     | 9.4  |      |               |
| Per capita civilian consumption:                              |                      |                      |                      |      |      |               |
| Fresh citrus fruits (pounds).....                             | 48.5                 | 57.2                 | 42.5                 | 42.8 | 40.6 | 40.7          |
| Processed citrus fruits, farm weight equivalent (pounds)..... | 5.7                  | 32.2                 | 38.8                 | 41.5 | 44.1 |               |
| Total (pounds).....                                           | 54.2                 | 89.4                 | 81.3                 | 84.3 | 84.7 |               |

<sup>1</sup> Due to rounding, items do not always add to total.

<sup>2</sup> 1950-53 average.

Mr. ANDERSON. Mr. President, the table shows that the consumption of fresh citrus fruits has been fairly stable, but that the use of processed citrus fruits has expanded tremendously. Here was a group of persons who decided to do something about their agricultural prob-

lem, and who succeeded in doing it by increasing the per capita consumption of processed citrus fruits from 5 pounds per capita to 54 pounds per capita. Had it not been for that, the situation of the citrus-fruit industry would have been disastrous.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table dealing with commercial apples.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commercial apples: Production, stocks, markets  
[Million pounds, except as otherwise indicated]

|                                                                     | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953  | 1954  | 1955 esti-<br>mated |
|---------------------------------------------------------------------|--------------------|--------------------|--------------------|-------|-------|---------------------|
| Production, farm disposition, utilization of sales                  |                    |                    |                    |       |       |                     |
| Total production.....                                               | 6,111              | 5,009              | 5,092              | 4,479 | 5,273 | 5,054               |
| Farm household use.....                                             | 373                | 210                | 208                | 186   | 215   |                     |
| Sold.....                                                           | 5,356              | 4,629              | 4,752              | 4,293 | 5,027 |                     |
| Production having value.....                                        | 5,729              | 4,839              | 4,960              | 4,479 | 5,242 |                     |
| Fresh sales.....                                                    | 4,011              | 3,324              | 3,259              | 3,022 | 3,192 |                     |
| For processing.....                                                 | 1,345              | 1,305              | 1,493              | 1,271 | 1,835 |                     |
| Apples for fresh use:                                               |                    |                    |                    |       |       |                     |
| Beginning stocks.....                                               | 1,312              | 1,189              | 1,156              | 963   | 955   | 1,194               |
| Production <sup>1</sup> .....                                       | 4,385              | 3,534              | 3,467              | 3,208 | 3,407 | 3,490               |
| Imports.....                                                        | 1                  | 58                 | 83                 | 82    | 72    |                     |
| Total supply <sup>1</sup> .....                                     | 5,698              | 4,781              | 4,706              | 4,253 | 4,434 |                     |
| Domestic disappearance:                                             |                    |                    |                    |       |       |                     |
| Civilian.....                                                       | 3,945              | 3,457              | 3,392              | 3,191 | 3,106 |                     |
| Armed forces.....                                                   |                    | 83                 | 51                 | 51    | 50    |                     |
| Exports and shipments.....                                          | 445                | 119                | 115                | 56    | 84    |                     |
| Total distribution <sup>2</sup> .....                               | 4,390              | 3,659              | 3,558              | 3,298 | 3,240 |                     |
| Ending stocks <sup>2</sup> .....                                    | 1,307              | 1,121              | 1,148              | 955   | 1,194 |                     |
| United States exports as a percentage of world trade (percent)..... | 29.7               | 14.7               | <sup>3</sup> 8.6   | 3.5   |       |                     |
| Per capita civilian consumption:                                    |                    |                    |                    |       |       |                     |
| Fresh use (pounds).....                                             | 30.2               | 24.2               | 21.8               | 20.2  | 19.3  | 19.7                |
| Processed, farm weight equivalent (pounds).....                     | 2.8                | 4.6                | 5.8                | 5.5   | 6.1   |                     |
| Total.....                                                          | 33.0               | 28.8               | 27.6               | 25.7  | 25.4  |                     |

<sup>1</sup> Includes apples for sale for fresh use and quantities used in farm households.

<sup>2</sup> Due to rounding, items do not always add to total.

<sup>3</sup> 1950-53 average.

Mr. ANDERSON. Mr. President, dealing with the dairy situation, I ask unanimous consent to have printed in the RECORD a table with reference to

total milk, its production, utilization, and distribution, showing the effect upon it of various programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total milk <sup>1</sup>: Production, utilization, and distribution  
[Billion pounds, except as otherwise indicated]

| Calendar year                                     | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953  | 1954  | 1955<br>estimate |
|---------------------------------------------------|--------------------|--------------------|--------------------|-------|-------|------------------|
| Total milk production.....                        | 105.9              | 117.6              | 118.7              | 121.4 | 123.7 | 124.5            |
| Utilization (milk equivalent):                    |                    |                    |                    |       |       |                  |
| Fluid milk and cream and other <sup>2</sup> ..... | 44.2               | 55.0               | 57.0               | 57.7  | 59.4  | 61.1             |
| Butter (creamery and farm).....                   | 44.0               | 32.1               | 31.0               | 32.3  | 32.9  | 31.0             |
| Cheese.....                                       | 6.7                | 11.3               | 12.4               | 13.3  | 13.4  | 13.4             |
| Evaporated and condensed milk.....                | 4.8                | 7.8                | 6.6                | 6.2   | 6.2   | 6.5              |
| Dry whole milk.....                               | .1                 | 1.3                | .8                 | .8    | .7    | .8               |
| Ice cream.....                                    | 3.2                | 6.9                | 7.4                | 7.8   | 7.7   | 8.3              |
| Fed to calves.....                                | 2.8                | 3.2                | 3.4                | 3.3   | 3.4   | 3.4              |
| Beginning commercial stocks.....                  | 2.9                | 2.5                | 3.5                | 4.8   | 3.3   |                  |
| Total milk production.....                        | 105.9              | 117.6              | 118.7              | 121.4 | 123.7 | 124.5            |
| Imports.....                                      | .8                 | .2                 | .6                 | .6    | .5    |                  |
| Total supply <sup>3</sup> .....                   | 109.6              | 120.4              | 122.8              | 126.9 | 127.5 |                  |

Footnotes at end of table.



Total milk <sup>1</sup>: Production, utilization, and distribution—Continued

[Billion pounds, except as otherwise indicated]

| Calendar year                                                    | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953  | 1954  | 1955<br>estimate |
|------------------------------------------------------------------|--------------------|--------------------|--------------------|-------|-------|------------------|
| Civilian consumption.....                                        | 103.5              | 106.7              | 109.8              | 108.9 | 112.8 | -----            |
| Armed Forces.....                                                | -----              | 3.2                | 2.5                | 2.6   | 2.8   | -----            |
| Commercial exports and shipments.....                            | .4                 | 2.2                | 1.1                | .9    | .9    | -----            |
| Net purchases, USDA.....                                         | -----              | 2.3                | 2.4                | 7.9   | 4.3   | -----            |
| Fed to calves.....                                               | 2.8                | 3.2                | 3.4                | 3.3   | 3.4   | -----            |
| Total distribution <sup>3</sup> .....                            | 106.6              | 117.6              | 119.2              | 123.6 | 124.2 | -----            |
| Ending commercial stocks <sup>3</sup> .....                      | 2.9                | 2.8                | 3.6                | 3.3   | 3.2   | -----            |
| Per capita civilian consumption:                                 |                    |                    |                    |       |       |                  |
| Total milk, whole milk equivalent-fat solids basis (pounds)..... | 791                | 750                | 704                | 688   | 699   | 710              |
| Total milk fat solids (pounds).....                              | 31.2               | 29.9               | 27.6               | 26.7  | 27.1  | 27.5             |
| Total nonfat milk solids (pounds).....                           | 39.6               | 47.8               | 47.3               | 47.2  | 48.3  | 49.0             |
| Cheese (pounds).....                                             | 5.5                | 6.8                | 7.5                | 7.4   | 7.8   | 7.7              |
| Condensed and evaporated milk (pounds).....                      | 16.5               | 19.1               | 17.8               | 17.2  | 16.5  | 16.5             |
| Fluid milk and cream (pounds).....                               | 300                | 373                | 350                | 349   | 349   | 353              |
| Ice cream—product weight (pounds).....                           | 9.8                | 18.7               | 17.3               | 17.7  | 17.2  | 18.0             |
| Butter, farm and factory—actual weight (pounds).....             | 16.8               | 10.5               | 9.2                | 8.5   | 9.0   | 9.2              |

<sup>1</sup> Milk equivalent of milk and cream and manufactured dairy products, including butter computed on basis of fat content.

<sup>2</sup> Other includes dry cream malted milk, dry part skim milk, dry ice cream mix, cottage cheese, miscellaneous minor uses and any inaccuracies of independently determined production and use items.

<sup>3</sup> Due to rounding, items do not always add to total.

Mr. ANDERSON. Mr. President, the question of controls upon cattle is an interesting one. The livestock industry has been very vigorous in saying it wanted no controls of any kind or description. I have never known whether they were completely right or completely wrong. I have here a table showing that the per capita consumption of beef has gone

from 54.8 pounds in 1935 to 1939, to 79.2 pounds in 1954, and to 81 pounds in 1955. Mr. President, we have the greatest cattle numbers we have ever known. Personally, I think there is a reason for that which does not come under the jurisdiction of the Committee on Agriculture and Forestry, but has to do with income-tax provisions. We may have to

get to that at a later date. But beef which has come on the market has found some consumers, and I ask unanimous consent to have printed at this point in the RECORD a table showing beef, its production, stocks, and markets. There being no objection, the table was ordered to be printed in the RECORD, as follows:

Beef: Production, stocks, markets

[Million pounds, carcass weight equivalent]

| Calendar year                                 | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953   | 1954   | 1955   |
|-----------------------------------------------|--------------------|--------------------|--------------------|--------|--------|--------|
| Beginning stocks.....                         | 112                | 163                | 199                | 262    | 249    | 183    |
| Production.....                               | 6,937              | 9,719              | 10,694             | 12,433 | 12,991 | 13,600 |
| Imports.....                                  | 215                | 162                | 347                | 271    | 225    | -----  |
| Total supply <sup>1</sup> .....               | 7,263              | 10,044             | 11,241             | 12,966 | 13,465 | -----  |
| Civilian consumption.....                     | 7,167              | 8,943              | 10,496             | 12,139 | 12,765 | -----  |
| Armed Forces.....                             | -----              | 699                | 494                | 520    | 450    | -----  |
| Net purchases for export, USDA.....           | -56                | 169                | -----              | -----  | -----  | -----  |
| Exports and shipments.....                    | 53                 | 63                 | 38                 | 58     | 62     | -----  |
| Total distribution <sup>1</sup> .....         | 7,164              | 9,874              | 11,028             | 12,717 | 13,277 | -----  |
| Ending stocks <sup>1</sup> .....              | 99                 | 170                | 213                | 249    | 188    | -----  |
| Per capita civilian consumption (pounds)..... | 54.8               | 62.7               | 67.1               | 76.7   | 79.2   | 81.0   |

<sup>1</sup> Due to rounding, items do not always add to total.

Mr. ANDERSON. Mr. President, for purposes of comparison I ask unanimous consent to have printed in the RECORD

a table dealing with pork, its production, stocks, and markets. There being no objection, the table

was ordered to be printed in the RECORD, as follows:

Pork: Production, stocks, markets

[Million pounds, carcass weight equivalent]

| Calendar year                                 | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953   | 1954   | 1955 esti-<br>mate |
|-----------------------------------------------|--------------------|--------------------|--------------------|--------|--------|--------------------|
| Beginning stocks.....                         | 502                | 388                | 468                | 489    | 327    | 449                |
| Production.....                               | 7,337              | 10,538             | 10,752             | 10,063 | 9,952  | 10,900             |
| Imports.....                                  | 48                 | 1                  | 101                | 164    | 184    | -----              |
| Total supply <sup>1</sup> .....               | 7,887              | 10,927             | 11,320             | 10,716 | 10,463 | -----              |
| Civilian consumption.....                     | 7,236              | 9,771              | 10,394             | 9,957  | 9,631  | -----              |
| Armed Forces.....                             | -----              | 435                | 336                | 298    | 278    | -----              |
| Net purchases for export, USDA.....           | -----              | 221                | -----              | -----  | -----  | -----              |
| Exports and shipments.....                    | 142                | 81                 | 128                | 134    | 105    | -----              |
| Total distribution <sup>1</sup> .....         | 7,428              | 10,508             | 10,857             | 10,389 | 10,014 | -----              |
| Ending stocks <sup>1</sup> .....              | 458                | 420                | 463                | 327    | 449    | -----              |
| Per capita civilian consumption (pounds)..... | 55.7               | 68.6               | 66.7               | 62.9   | 59.7   | 63.0               |

<sup>1</sup> Due to rounding, items do not always add to total.



Mr. ANDERSON. Mr. President, finally, because of its relationship to both beef and pork, I ask unanimous consent to have printed in the RECORD a table dealing with the production of corn, the stocks on hand, and the markets.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corn: Production, stocks, markets  
[Million bushels, except as otherwise indicated]

| Crop year beginning Oct. 1                                                       | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953    | 1954                 | 1955 estimate      |
|----------------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------|----------------------|--------------------|
| Carry-in.....                                                                    | 250.3              | 341.4              | 751.9              | 768.8   | 919.7                | 1,028.8            |
| Production.....                                                                  | 2,315.6            | 3,056.8            | 3,087.8            | 3,192.5 | 3,010.2              | 3,184.8            |
| Imports.....                                                                     | 25.6               | .7                 | .9                 | 1.1     | 1.1                  | 1.0                |
| Total supply.....                                                                | 2,591.5            | 3,398.9            | 3,840.6            | 3,962.4 | 3,931.0              | 4,214.6            |
| Domestic consumption:                                                            |                    |                    |                    |         |                      |                    |
| Industrial and food uses.....                                                    | 184.7              | 249.8              | 252.0              | 238.7   | <sup>1</sup> 248.9   | 250.0              |
| Seed.....                                                                        | 15.9               | 11.8               | 11.0               | 10.9    | 10.9                 | 11.0               |
| Livestock feeds.....                                                             | 1,972.0            | 2,614.1            | 2,678.0            | 2,690.1 | <sup>1</sup> 2,539.4 | 2,747.0            |
| Total.....                                                                       | 2,172.6            | 2,875.7            | 2,941.0            | 2,939.7 | 2,799.2              | 3,008.0            |
| Exports.....                                                                     | 44.0               | 75.9               | 111.0              | 103.0   | 103.0                | <sup>2</sup> 100.0 |
| Total disappearance.....                                                         | 2,216.6            | 2,951.6            | 3,052.0            | 3,042.7 | 2,902.2              | 3,108.0            |
| Carryout.....                                                                    | 374.9              | 447.3              | 788.6              | 919.7   | 1,028.8              | 1,106.6            |
| Year beginning July                                                              |                    |                    |                    |         |                      |                    |
| United States exports as a percentage of world trade (grain only) (percent)..... | 9.4                | 41.5               | 56.1               | 70.8    | 53.9                 | 42.7               |

<sup>1</sup> Unofficial estimates.

<sup>2</sup> Exports of grain only.

Mr. ANDERSON. Mr. President, I hope that sometime I will have the opportunity and occasion to deal with these figures. I wanted them to appear in the RECORD so that they may be available to all Senators for examination, instead of having to hand them back and forth. I desire to yield the floor, merely saying that I appreciate the courtesy of the Senator from Colorado [Mr. ALLOTT] in giving me an opportunity to place the tables in the RECORD so that in the subsequent debate we may have an opportunity to refer to them.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PAYNE ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning hour on Monday the distinguished junior Senator from Maine [Mr. PAYNE] may be recognized for about 20 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, if there are no other Senators who wish to speak, I move that, pursuant to the order previously entered, the Senate stand in adjournment until Monday noon.

The motion was agreed to; and (at 3 o'clock and 51 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, February 27, 1956, at 12 o'clock meridian.















# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 28, 1956  
For actions of February 27, 1956  
84th-2nd, No. 33

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HIGHLIGHTS: Senate continued debate on farm bill. House committee submitted report on cargo preference and farm surpluses. House committee reported Executive Offices appropriation bill. Rep. Bow urged more funds for agricultural research, forest service, and soil bank plan. Sen. Capehart introduced and discussed bill to extend livestock loans to producers of hogs. Rep. Hill commended and inserted Asst. Secretary Butz' statement before H. Agriculture Livestock and Feed Grains Subcommittee.

## HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 9536, the general government matters appropriation bill for 1957 (H. Rept. 1812). pp. 2972, 2995
2. SURPLUSES. The Merchant Marine and Fisheries Committee submitted a report on cargo preference and its relation to the farm-surplus disposal programs (H. Rept. 1818). pp. 2971, 2995
3. FARM PROGRAM. Rep. Bow criticized further expenditures for foreign aid and urged that increases of funds be provided for domestic interests, including agricultural research, the Forest Service, and soil bank proposals. p. 2979
4. TEXTILES. Rep. Canfield defended the Flammable Fabrics Act and expressed opposition to any weakening of its provisions to accommodate certain manufacturers and importers of scarves. p. 2984
5. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 5975, to authorize the Secretary of the Interior to reimburse owners of lands acquired under the Federal reclamation laws for their moving expenses (H. Rept. 1813). p. 2995



6. LEGISLATIVE PROGRAM. The Acting Majority Leader, Rep. Albert, announced that H. R. 9536, the general government matters appropriation bill for 1957, would be scheduled for consideration on Tues. and Wed., Feb. 28 and 29. p. 2971

SENATE

7. FARM PROGRAM. Continued debate on general features of S. 3183, the farm bill (pp. 2917, 2966).

Began debate on Sen. Anderson's amendment to strike out the provision for price supports at 90% of parity. (p. 2947)

Sens. Capehart, Aiken, Butler, George, Kerr, Humphrey, and Daniel (for himself and Sens. Johnson, Humphrey, Young, and Chavex) submitted amendments intended to be proposed to the bill. pp. 2923, 2926, 2961

Sen. Goldwater inserted a resolution and a letter received from the Cotton Growers' Assoc. criticizing the bill as being based on "political expediency". p. 2934

8. TOBACCO. Received resolutions from the Ky. House of Representatives urging Congress to restore tobacco acreage allotments to their 1955 level. p. 2917

9. CONSERVATION. Sen. Humphrey inserted an Izaak Walton League letter urging sounder conservation practices, and more congressional control of the Interior Dept. p. 2920

10. ELECTRIFICATION. Sen. Allott inserted an REA cooperative's resolution opposing the Hoover Commission recommendation regarding REA. p. 2921

Sens. Case, S. Dak., and Mundt defended the Administrator of REA against an unfavorable newspaper article, and inserted several letters and articles on the matter. p. 2963

11. DISASTER RELIEF. Sen. Bush praised the Administration's leadership in helping to rehabilitate recent flood-stricken communities. p. 2931

12. FOREIGN TRADE. Sen. Payne discussed with other Senators the situation of the American textile industry, and cautioned against any further textile tariff reductions during the GATT meeting in Geneva. p. 2937

ITEMS IN APPENDIX

13. RECLAMATION. Various extension of remarks and insertions of articles favoring and opposing the proposed upper Colorado River storage project. pp. A1762, A1763, A1774, A1781, A1783, A1784, A1788, A1789, A1793, A1799, A1800, A1810, A1813, A1818

14. ROADS. Rep. George inserted a newspaper editorial agreeing on the need to complete a 40,000 mile interstate highway system and stating that the construction would create as many as half a million jobs. p. A1762

Rep. Machrowicz inserted a newspaper editorial stating that the President's highway program is suffering today from "footdrifting and sabotage from members of his own Cabinet". p. A1809

15. SURPLUS COMMODITIES. Sen. Humphrey inserted an article commending a successful proposal sponsored by the Federal Civil Defense Administration on a statewide basis in Ark. calling for a 7-day supply of food to be kept on pantry shelves for emergency purposes, such stocks to be made up of plentiful foods which are produced in Ark. p. A1767



support it. But the harm is done when people hear or read his assertion that conditions are better and that we are on the march, and the Russians have failed. People wish to believe that all is well in the world. If they are encouraged to believe it by the Secretary of State, our function as a Senate is made difficult, because we have to be supported by enlightened public opinion.

Mr. SPARKMAN. Even though people like to believe optimistic statements, does not the Senator think they also would want to accept the proof and that they ought to be correctly advised as to what the true situation is at all times?

Mr. FULBRIGHT. I certainly do. Because people like to hear such optimistic reports, it makes it very dangerous. We have to be careful not to be overly optimistic. From the standpoint of national security, it is safer to be pessimistic than to be overly optimistic. It is natural for people to believe we excel not only in this field, but in other fields as well. So there is an obligation on the part of the Secretary not to paint an unjustifiably rosy picture. To do so endangers the very foundations of our national security.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. ANDERSON. Mr. President, I call up my amendment, designated as "2-22-56-0."

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The amendment offered by Mr. ANDERSON for himself and other Senators will be stated.

The LEGISLATIVE CLERK. On page 1, beginning with line 6, it is proposed to strike out through line 2 on page 2, as follows:

##### PRICE SUPPORT LEVELS—BASIC COMMODITIES

SEC. 101. Section 101 (d) (6) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(6) except as provided in section 402, the level of support to cooperators shall be 90 percent of the parity price for the 1956 and 1957 crops of any basic agricultural commodity other than wheat if producers have not disapproved marketing quotas therefor."

Mr. ANDERSON. Mr. President, I call up my amendment for the purpose of making the question of 90-percent support prices the pending business.

I desire also to ask unanimous consent that there be added to the list of cosponsors the name of the distinguished Senator from Mississippi [Mr. EASTLAND].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. Mr. President—

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. ANDERSON. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. ANDERSON. Mr. President, there is an amendment which also pertains to minimum acreages on cotton. Because we have had a discussion of that subject previously, I ask unanimous consent that I may insert in the RECORD at

this point the estimated 1957 State allocations of national 1 percent reserve for additional acreage for minimum farm allotments pursuant to Senate bill 3183.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Estimated 1957 State allocations of national 1-percent reserve for additional acreage for minimum farm allotments pursuant to S. 3183*

| State               | State allocation from national reserve <sup>1</sup> | State contribution to national reserve <sup>2</sup> |
|---------------------|-----------------------------------------------------|-----------------------------------------------------|
| Alabama.....        | 27,900                                              | 10,252                                              |
| Arizona.....        | 200                                                 | 3,436                                               |
| Arkansas.....       | 9,900                                               | 14,245                                              |
| California.....     | 1,000                                               | 7,824                                               |
| Florida.....        | 3,400                                               | 370                                                 |
| Georgia.....        | 18,100                                              | 9,032                                               |
| Illinois.....       | 100                                                 | 31                                                  |
| Kansas.....         | 0                                                   | 0                                                   |
| Kentucky.....       | 300                                                 | 78                                                  |
| Louisiana.....      | 8,500                                               | 6,109                                               |
| Mississippi.....    | 21,400                                              | 16,466                                              |
| Missouri.....       | 2,300                                               | 3,781                                               |
| Nevada.....         | 0                                                   | 23                                                  |
| New Mexico.....     | 500                                                 | 1,794                                               |
| North Carolina..... | 20,400                                              | 4,839                                               |
| Oklahoma.....       | 6,600                                               | 8,456                                               |
| South Carolina..... | 13,900                                              | 7,262                                               |
| Tennessee.....      | 17,200                                              | 5,635                                               |
| Texas.....          | 20,400                                              | 74,109                                              |
| Virginia.....       | 1,900                                               | 171                                                 |
| United States.....  | 174,000                                             | 173,913                                             |

<sup>1</sup> Estimates based on additional acreage needs developed for similar purposes in connection with 1956 acreage allotments on the assumption of (1) apportioning 100 percent of county allotments to farms and increasing farm allotments to the larger of 4 acres or 80 percent of the highest planted acreage for the 3 years 1953, 1954, and 1955, and (2) a 1957 national acreage allotment of 17.4 million acres, or the same on the 1956 national acreage allotment.

<sup>2</sup> 1 percent of the 1956 State acreage allotment. The 1956 allotments used here for purposes of comparison, since 1957 State allotments have not been determined.

Mr. AIKEN. Mr. President, will the Senator from Mississippi yield for a parliamentary inquiry?

Mr. EASTLAND. I yield.

The PRESIDING OFFICER. The Senator will state it.

Mr. AIKEN. I ask the Chair if the amendment just offered by the Senator from New Mexico is the pending question now before the Senate.

The PRESIDING OFFICER. That is correct. That is the pending question.

Mr. SALTONSTALL. Mr. President, will the Senator from Mississippi yield so that I may make a statement?

Mr. EASTLAND. Mr. President, I ask unanimous consent to yield to the distinguished Senator from Massachusetts, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

##### STATEMENT ON 50-50 LAW—CARGO PREFERENCE ACT

Mr. SALTONSTALL. I thank the Senator from Mississippi.

Mr. President, I should like to bring briefly to the attention of the Senate an action recently taken by the Senate Committee on Agriculture and Forestry which I believe may well have grave consequences for our Nation, particularly as respects our merchant marine, but equally as it affects both our program of agricultural surplus disposal and, ultimately, our national defense.

I refer specifically to the action of the committee in approving in section 307 of S. 3183, the Agricultural Act of 1956, the exemption of the 50-50 cargo preference provisions of the act of March 26, 1934—Forty-eighth Statute at Large, page 500—as amended by the act of June 29, 1936—Forty-ninth Statute, page 1987, and the act of August 26, 1954—Sixty-eighth Statute, page 832.

By action of the committee, these acts are declared not to apply to transactions under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended. In other words, the fair and equal treatment represented by the 50-50 shipping law—Public Law 664, August 26, 1954—is being destroyed, and we are left to conclude that the committee has overlooked the advantages—no, the necessities—of that measure which equally divides the transport of farm surplus cargoes between American and foreign ships.

It has been clear to the Congress for many years, as demonstrated by consistent congressional action in the past, that, if we were ever to be without a strong American merchant marine, foreign maritime powers would be in a position to carry out goods at times and from ports of their own choosing and at whatever prices the American traffic could be forced to bear. The very existence of a United States flag fleet is our protection against a situation which would permit such arbitrary and costly action.

Mr. BUTLER. Mr. President, will the Senator from Massachusetts yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Maryland?

Mr. SALTONSTALL. Mr. President, I do not have the floor; the Senator from Mississippi [Mr. EASTLAND] has yielded to me.

Mr. AIKEN. Mr. President, I ask unanimous consent that the Senator from Massachusetts may be permitted to yield to the Senator from Maryland, provided he does not yield for too long.

Mr. SALTONSTALL. Mr. President, I do not wish to break my agreement with the Senator from Mississippi. I told him the number of minutes I would speak. However, I am glad to yield briefly to the Senator from Maryland, for a question.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUTLER. Mr. President, does the Senator from Massachusetts know that this matter came up before the Committee on Agriculture and Forestry, and that section 307 was inserted in the bill without holding any hearings, after the chairman of the committee had promised the American Legion, the Veterans of Foreign Wars, and other groups interested in the American merchant marine that hearings would be held before any action was taken?

Mr. SALTONSTALL. I knew there had not been any hearings; and later in my remarks I shall point out that I believe this matter should be heard before



the proper committee as a separate matter, and not included in the agricultural bill.

Mr. BUTLER. Does the Senator from Massachusetts also know that the difference between the world price per ton and the American price per ton is only approximately 25 cents?

Mr. SALTONSTALL. I am glad to have the Senator from Maryland tell me that; I did not know it.

Mr. BUTLER. And that we now carry in American bottoms only approximately 22 percent of our total commerce. So the 50-50 cargoes could make very little difference, in dollars and cents.

Mr. SALTONSTALL. I thank the Senator from Maryland for that information.

A healthy American merchant marine insures stability both of rate and of service, and the merest glance over our history reveals painfully clearly that when we have been without an adequate merchant fleet—invariably at times when we needed it most—the consequences for America have been immediate and painful, both economically and as regards our national defense. Economically, we have always paid for such neglect in skyrocketing freight rates, or in goods piling up in our warehouses and on the docks because they could not be shipped at the prices demanded.

Public Law 664, the Cargo Preference Act, more familiarly known as the 50-50 Law, is one of the pieces of legislation which contribute to the strength, the health, and the effectiveness of our merchant marine, with consequent widespread benefits for our Nation as a whole. This is one of the simplest pieces of legislation on our books. It provides merely that at least half of all overseas cargo owned by our Government and paid for by American taxpayers shall be carried in United States merchant ships, provided they are available at reasonable rates. On nine separate occasions since 1948, Congress has written this 50-50 provision into various aid programs. The Cargo Preference Act of itself made it unnecessary to repeat that procedure each time a similar program was authorized.

The Cargo Preference Act, as fair and equitable a piece of legislation as can be recalled, has done several worthwhile things:

First. It has expressed the will of the Congress that narrowly conceived, unrealistic demands that all farm surplus cargoes be moved in United States ships manned by American seamen be rejected as impractical and definitely not in our country's best interest.

Second. It recognizes the two-way character of foreign trade, by assuring that foreign nations shall be permitted to earn dollars by carrying part of our exports and imports.

Third. By a judicious and sensible recognition of the purposes and provisions of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, in effect, made full and equal partners of American agriculture and the American merchant marine in the most extensive and soundly progressive program of world rehabilitation and international good will that history has ever seen.

The impression is being created by foreign maritime interests that our burdensome farm surpluses will not be purchased abroad unless and until the 50-50 law is abandoned. They have established as their first beachhead in this attack title I of Public Law 480, which we know more familiarly as the Agricultural Trade Development and Assistance Act. Under this title food surpluses in excess of normal exports may be sold overseas for foreign currencies. The 50-50 principle embodied in the Cargo Preference Act applies to cargoes that move under this program, just as it does to all cargoes financed by our Federal Government.

It is easy to understand, of course, why any thoughtful farmer or farm organization head is concerned whenever there is the slightest suggestion that anything whatever may be permitted to impede our farm-surplus-disposal efforts.

It is reasonable, therefore, that charges from overseas to the effect that the 50-50 law has slowed down such shipments of surpluses under title I should be thoroughly explored.

Such an exploration of the facts, however, proves clearly that these charges are debatable, and that our surplus disposal program, in all of its aspects, is making encouraging and continuing progress. Two-thirds of the \$700 million authorized for surplus disposal under the 3-year, Public Law 480 program was exhausted in its first year, and the authorization had to be doubled to \$1.5 billion. The latest report from the Department of Agriculture shows that 33 agreements have been completed with 22 countries for the disposal of \$769 million worth of surpluses, or more than 50 percent of the 3-year authorization under title I of the act.

All in all, since disposal operations began 18 months ago, the United States has programed the disposal of \$1,692,000,000 worth of food surpluses under this act and other authorizations.

It would be an extremely dangerous precedent for the United States to abandon its 50-50 cargo preference policy merely on the basis of the application of pressure relative to the disposal of our surplus agricultural commodities. If for this particular purpose we permit a foot to be placed in the door, we shall be opening the door wide to subsequent elimination of this fair and equal provision for all purposes. The danger to our merchant marine and to our economy present in any such move is clear and great.

Moreover, this is not even good business. No reputable company, for instance, would permit an isolated group of potential customers to dictate its regular sales policies and to interfere with its internal management.

Mr. BUTLER. Mr. President, will the Senator from Massachusetts yield to me at this point?

Mr. SALTONSTALL. The Senator from Mississippi [Mr. EASTLAND] has the floor. Let me ask whether he is willing to have me yield for a question.

Mr. EASTLAND. Yes.

Mr. SALTONSTALL. Very well; I yield for a question.

Mr. BUTLER. Is not the correctness of the statement the Senator from Massachusetts has just made indicated by the fact that the cargo preference law applies only to Government-owned and Government-financed cargoes, and that American ships need not be used unless they can be obtained at a reasonable price?

Mr. SALTONSTALL. That is true, although I am not sure about the correctness of the Senator's statement in regard to "reasonable price."

Mr. BUTLER. I mean if they are available at the going price.

Mr. SALTONSTALL. That is correct.

The foreign maritime interests to which I refer, and about whom there is no secret whatever, have swelled opposition to the 50-50 law far out of fair and reasonable proportion. Understandably, foreign shipowners want more business, and it is apparent that, by placing a heavy hand in this way upon our sensitive surplus-disposal program, they hope to destroy the 50-50 principle, not merely for their immediate purpose, but permanently. If they succeed in this, the effect upon the American merchant marine may well prove disastrous.

Mr. MAGNUSON. Mr. President, will the Senator from Massachusetts yield at this point?

Mr. SALTONSTALL. The Senator from Mississippi [Mr. EASTLAND] has the floor.

Mr. MAGNUSON. The Senator from Mississippi is willing to have the Senator from Massachusetts yield to me at this time.

Mr. SALTONSTALL. Very well; then I yield for a question.

Mr. MAGNUSON. Is it not true that foreign-flag ships now carry almost 80 percent of our cargoes, and that in this case we are dealing with only the remaining 20 percent?

Mr. SALTONSTALL. I believe that is true.

Mr. MAGNUSON. Yes; those are the facts.

Mr. BUTLER. I believe the figures are approximately 22 percent and 78 percent.

Mr. MAGNUSON. Approximately that; yes.

Mr. SALTONSTALL. Mr. President, elimination of the 50-50 principle now and in the future would place us at the mercy of foreign maritime interests economically and as regards our ultimate national security. I am reluctant to suggest that any such dominance of world trade routes by foreign shipping could mean the withering away of the American merchant marine. This would not only be fatal to America economically, but it would put us in the thoroughly untenable position of dependence upon the ships and shipping facilities of friendly nations in time of war, a dependence which might well—despite their desire to join in the common defense—leave America high and dry, without having any ships or shipping facilities available anywhere.

The solution, therefore, seems to me to be a specific one. I know that in opposing the committee's action in writing section 307 into S. 3183, I am expressing



not only the unanimous opinion of our people in Massachusetts and the people in many another maritime State, as well, but also that of such respected and farflung organizations as the National Grange, the United States Chamber of Commerce, the National Foreign Trade Council, the National Industrial Traffic League, and the Pacific Supply Cooperative—the latter an organization which represents 70,000 farmers in Oregon, Washington, Idaho, and northern California. I have checked on that matter, Mr. President; and I believe that statement to be accurate. To all of us it is clear that the 50-50 provision and surplus disposal are not incompatible in any way.

Let me emphasize that Public Law 480 and this 50-50 principle represent a sound American program, one of basic and continuing interest and value to our farmers, to maritime labor and management, and as regards our Nation's total defense. Moreover, it represents, as its popular title "50-50" suggests, a solution of a real and continuing problem that is fair and equitable to us and to our friends abroad.

Mr. MORSE. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. SALTONSTALL. Yes; if the Senator from Mississippi is willing to have me do so.

Mr. EASTLAND. Yes.

Mr. SALTONSTALL. Then I yield to the Senator from Oregon for a question.

Mr. MORSE. Am I correct in my understanding that in the actual practice of the 50-50 formula, when American shipping interests cannot actually provide the ships with which to meet the immediate shipping need, then it is possible for the goods to be transported in foreign bottoms? In other words, I recall that last year the Senator from Washington joined me in taking action to make it possible for the apple growers in the Northwest to sell some apples to England and, I believe, to one of the countries on the Continent of Europe. However, there simply were not available enough American refrigerator ships to transport the apples, but some foreign refrigerator ships which could transport them were available. We took the matter up with the State Department, and, as I recall, they followed the policy of making an exception to the 50-50 formula. It is only when American bottoms cannot be supplied that the formula applies.

Mr. SALTONSTALL. The Senator from Oregon is entirely correct. First, the cargo must be Government property or Government-financed property. Second, the ships and space must be available.

This, then, is the problem, Mr. President. By way of solution I should like to offer certain specific suggestions which I hope may prove of help.

First, may I say that I am reliably informed that no hearings were held by the committee on section 307. This in itself gives me some concern, inasmuch as the House Merchant Marine and Fisheries Committee has for some time now been giving detailed and comprehensive attention to the Cargo Preference Act.

I am told that several witnesses have been heard on the subject and that these have included representatives of the Federal Government, Farm Bureau, and National Grange spokesmen, representatives of American maritime management and labor, and representatives of foreign maritime interests as well.

I am informed finally that most of these witnesses have expressed an overwhelming support of the 50-50 principle and that few voices indeed have been raised in opposition to it. I think we can all agree that with a measure of such moment, we should certainly be concerned that full and adequate hearings be held by the Senate Committee on Agriculture and Forestry or—we might well decide—by the Senate Committee on Interstate and Foreign Commerce, inasmuch as this section 307 would appear to be more appropriately a transportation measure than one of agricultural surplus disposal alone.

Secondly, we are all aware I am sure of the scope and significance of S. 3183 for every American. We are aware too of the honest but strong differences of opinion that have already arisen regarding major provisions in this bill. I refer of course to the question of price supports and that of the soil-bank plan.

Given such differences of opinion on major provisions of this bill and that of the importance of resolving such differences without complicating them further by other controversial matters, may I suggest that section 307 be deleted from S. 3183 and that it be considered separately and on its merits. There is a bill now pending to do just this—S. 2584.

Finally, Mr. President, though it may appear to be repetitious, I want very much to emphasize the fact that this Cargo Preference Act, embodying the 50-50 principle as it does, is a measure of interest not only to agriculture, not alone to the American merchant marine, not merely to management and to labor in those businesses and industries dependent upon foreign trade and markets abroad, not only to those thousands upon thousands of persons employed in these and related activities, but to all of them together, since all benefit from or suffer from any action we take on a major economic measure of this kind. Equally, our national security is affected by our maintenance or our rejection of this 50-50 principle, representing as it does a major factor in the health and well-being of our merchant marine, which has been often but very truly called our "fourth arm of defense."

In the interest of our national economic health, therefore, in the interest of our national security in time of emergency, I recommend strongly, Mr. President, that section 307 be deleted from S. 3183, but in order that the principle to which it refers may be given due and full consideration that S. 2584 be carefully considered by the proper committee.

Any further obstruction to our Nation's maritime progress and development may have costly repercussions for us economically and, perhaps, militarily. Anything that weakens our merchant marine weakens America now and in time to come.

Mr. MAGNUSON. Mr. President, will the Senator yield for one question?

Mr. SALTONSTALL. I yield, with the permission of the Senator from Mississippi.

Mr. EASTLAND. The Senator may yield.

Mr. MAGNUSON. As the Senator from Massachusetts and the Senator from Maryland know, I expect to suggest an amendment designed to take section 307 from the bill, and to bring it before our maritime subcommittee for hearings, so that everyone will have an opportunity to be heard. I am hopeful that the Committee on Agriculture and Forestry will agree to that course. I assure the members of that committee here and now that we will hold such hearings and will consider modifications, so that the difficulty can be entirely cleared up. I am sure the hearings will develop that this section is not really important to the agricultural bill. It is of vital importance to the merchant marine. I think we can arrive at an adjustment under which neither of these two great segments of our economy will be injured.

Mr. SALTONSTALL. I am glad to hear the Senator from Washington say that. I purposely did not mention the name of the committee specifically, because I did not wish to become involved in any possible dispute between two committees. Members of the Committee on Agriculture and Forestry, whose distinguished chairman is present in the Chamber, have been very fair about this question. We have informally discussed it, as the Senator from Maryland knows. I am hopeful that we shall be able to reach an agreement along the lines suggested.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. BUTLER. In 1954, when this act was first passed by the Congress, very extensive hearings were held before the Committee on Interstate and Foreign Commerce. Of course, I have no objection whatsoever to further consideration of this legislation. I am confident that the result of such further consideration will be a reaffirmation of the 50-50 principle. However, I think it is absolutely essential that section 307 be stricken from the agricultural bill at this time. If that is not done, I think I can predict that it will require the transfer to foreign flags of the majority of our tramp fleet, if not the entire tramp fleet. We cannot operate American ships without cargo, and we cannot get cargo in the absence of the 50-50 principle. I think it would be a dreadful thing to force the transfer to foreign flags of American vessels, and put American labor on the beaches, thus forcing us to depend almost entirely on foreign bottoms for the carriage of our foreign commerce, merely to ameliorate to some small extent an irritation, at the most, which now exists.

In view of the provisions of the act, that American ships do not have to be used unless they are readily available at the going prices, and the fact that the act applies only to Government-owned cargo or Government-financed



cargo, I think it is reasonable in every respect. I believe it would be a great mistake to lessen the effectiveness of that law without a hearing of the fullest character.

Mr. SALTONSTALL. We cannot keep the American merchant marine in mothballs. In the first place, the ships deteriorate; and, second, we lose the crews. So we must have cargoes.

Mr. BUTLER. Let me make one further observation. I think it is the wish of our foreign friends that we keep our ships in mothballs. They will readily acknowledge the necessity of an American merchant marine. They will admit privately that without a strong American merchant marine they could not have survived in World War II, but they say that we should build our ships and subsidize them, and then tie them up and not use them. I say that is not the way for America to transact its business, especially when the cargoes which we are seeking to have carried in American bottoms are cargoes which the people of America have bought and paid for, to a greater or lesser extent. If we are to be kind and generous and make these gifts abroad, I think it is only reasonable to insist that we are entitled to carry at least half of the cargoes.

Mr. SALTONSTALL. I thank the Senator from Maryland for his contribution; and I appreciate the courtesy of the Senator from Mississippi [Mr. EASTLAND].

Mr. BUTLER. I thank the Senator from Mississippi for his courtesy.

#### PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I wish to announce that with respect to the pending agricultural bill the leadership is presently considering a unanimous-consent agreement which would become effective on Monday, March 5. The agreement, if entered into by the Senate, would provide 2 hours of debate on any amendment or motion, the time to be divided equally and controlled by the mover of such amendment or motion and the majority leader, and would provide 4 hours of debate on the bill.

It is evident that it will be impossible to obtain a unanimous-consent agreement on the unfinished business so as to vote on the bill this week; but it is hoped that by tomorrow or the following day it will be possible to obtain the unanimous consent of the Senate to proceed to a vote on Monday next, in which event it will be the plan of the leadership to ask the Senate to convene at 11 o'clock in the morning.

I make the announcement so that all Senators may be informed of the prospects of securing a unanimous-consent agreement.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. ELLENDER. Does the Senator's statement mean there will not be any voting of any kind on the unfinished business this week?

Mr. JOHNSON of Texas. No; it does not mean that. A vote can be had at

any time the Senate is prepared to vote.

A unanimous-consent agreement has not been entered into. Such proposal has not been agreed to, for instance, by the distinguished minority leader. But we are pursuing our conversations toward securing such an agreement, in the hope that it will be possible to have the Senate agree to it. In the event the agreement should be entered into, it is unlikely that any voting will take place this week. However, I cannot give any assurance and the Senate cannot give any assurance on that score.

Mr. ELLENDER. Would there be any voting before Monday? I have been asked that question several times by various Senators, who would like to receive assurance that if the Senate is to begin to vote on Monday, there will not be any voting on amendments in the meantime.

Mr. JOHNSON of Texas. I would be delighted to join with the Senator from Louisiana, and the Senator from Vermont, and other Senators in an effort to protect Senators who may not be here; but unless we can constitute a majority, we can never give such assurance.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. AIKEN. I have taken up with some of my colleagues the question of the proposed unanimous-consent agreement. I have yet to find any objection to the proposal of setting the date to begin voting as Monday next. The 2-hour limitation on each amendment appears to be acceptable. The proposal of 4 hours of debate on the bill itself also seems to be acceptable, and the method of controlling the time seems to be agreeable to everyone.

However, there is some question about the proposal that when the action on the bill has finally been completed by the Senate, the Senate should then proceed to consider House bill 12, and that the language of the Senate bill should be substituted for the language of the House bill. I think perhaps that is simply a matter of some Senators not having made up their minds as to what they might wish to do in that respect; and therefore, they will not agree at this time to the proposed unanimous-consent agreement.

Mr. JOHNSON of Texas. I have no deep feeling one way or the other. I shall be glad to be guided by the judgment of the Senator from Louisiana and the Senator from Vermont. I hope they will carry on their negotiations, and will reach a satisfactory solution.

Mr. AIKEN. Apparently some Members of the House feel that if the language of the Senate bill were substituted for the language of the House bill, H. R. 12, then only the House members of the committee of conference would have an opportunity to consider the soil bank and certain other provisions which have been placed in the Senate bill. However, the reluctance at this time to enter into an agreement does not mean that there will not be eventually full agreement.

Mr. JOHNSON of Texas. I have no intention even to propose the agreement today. I merely want each Senator to be on notice of the intention of the leadership to propose the agreement tomorrow. At that time Senators can raise such questions as the Senator from Vermont has just raised.

Mr. AIKEN. I think it is highly advisable in the interest of time that voting on the amendments and on the bill itself, under the limitation of time in an agreement, should take place.

Mr. JOHNSON of Texas. The proposed unanimous-consent agreement will be offered to the Senate tomorrow. The majority leader has no preference concerning the second page of the agreement. Whatever is agreed upon by the Senator from Vermont and the Senator from Louisiana will be satisfactory to the majority leader.

Mr. AIKEN. That will give us more time in which to consult.

Mr. ELLENDER. I may state to the Senator from Vermont that I discussed with the parliamentarian this morning the matter of substituting the Senate language for the language in the House bill. The Parliamentarian thought that one of the simplest ways to handle the matter would be to pass the Senate bill, and as soon as that was done, to have the Senate proceed to consider the House bill, and to substitute the language of the Senate bill for the language of the House bill.

Mr. JOHNSON of Texas. I thank the Senator from Louisiana and the Senator from Vermont.

Mr. EASTLAND. Mr. President, farm prosperity is basic to American prosperity. In seeking to make agriculture prosperous we promote the prosperity of every segment of the American people. Our country cannot be strong unless its basic industry is strong and prosperous. The question before the Senate is, Shall we pursue the course which will return the greatest net income to the farmer?

Mr. President, we cannot pull the rug from under the cotton farmer. We must take the steps which will be necessary to make him prosperous and which will result in a strong cotton-growing economy. I shall discuss these principles as they apply to the American cotton farmer. In this light I shall discuss the pending amendment, which would strike from the bill the provisions for mandatory 90 percent support prices for the years 1956 and 1957.

Consideration of price alone does not constitute a farm program. Because our policies have been based solely on price the cotton farmer is now in depression. The pending bill, without the 2 year mandatory 90 percent support price provision and with the administrative steps which will be taken, will, in my judgment, greatly benefit the cotton grower. In fact, it will save the cotton grower from destruction. The cotton growing industry of the United States has all but collapsed because cotton has been made noncompetitive, and markets which heretofore have been enjoyed by the American cotton farmer have been taken over by those who produce its com-



petitors, rayon, other synthetic fibers, and by foreign cotton producers.

In the beginning I shall describe in general terms the deplorable conditions in which the American cotton growing industry finds itself. A prosperous cotton growing economy must be based upon two factors. First, the consumption of more than 9 million bales of cotton domestically, and exports of around 6 million bales. To sustain a prosperous economy it will take an acreage large enough to produce 15 million bales of cotton which can be sold at prosperous prices. Our country has historically exported 6 million bales of cotton, and has in the past dominated the world export cotton business. Because we dominated it we could fix the world price of cotton. Our exports in the past years normally averaged 60 percent of the foreign cotton export market. This shrank last year to 29 percent of this foreign cotton market, and is now running, in 1956, at less than 20 percent. In fact, we have only exported around 800,000 bales of cotton since last August 1. It now appears that our exports this year will be the lowest in 100 years except during the Civil War, World War II, and their aftermaths. Our exports now should easily be in excess of 3 million bales for the current marketing year.

On the domestic scene, rayon has made tremendous inroads in the domestic cotton market. It has made these inroads because cotton has been priced, by law, a few cents a pound above this competitor. In 1955 the increased consumption of synthetic fibers in the United States displaced 978,000 bales of cotton. In 1957 we face a further acreage reduction of 1,549,720 acres. It is very significant, Mr. President, that the acreage reduction which we face approximates the acreage required to produce the increased rayon consumption. Beginning in 1955, the synthetic industry planned an expansion program for a 3-year period in which \$155 million is being spent in the United States on new synthetic fiber plants. These new plants will displace in the domestic market a large part of the 9 million bales of cotton which are now consumed in this country. This synthetic fiber expansion must be stopped. In addition, if our cotton pricing policies are not changed, the acreage in cotton will get lower and lower each year. There is no end in sight for acreage reduction under our present policies.

Today, with 90 percent support prices and the acreage reduction which follows, the farmer's income is not at 90 percent of parity. His acreage for production has been cut to less than 60 percent of normal. At 90 percent supports this will provide him with only 53 percent of a parity income. In fact, his cotton parity income today stands at 53 percent. It will sink still lower in the future if cotton acreage allotments are permitted to decrease. Later, Mr. President, I shall describe in detail what has happened in the world cotton-growing industry, and show its terrible effect upon the American cotton farmer. I think it safe to say that with present acreage allotments and normal per acre production, most of the cotton farms in

the South will lose money on this year's operations. Many farmers will lose their farms. In 1955 it took an abnormally favorable growing season and the highest per acre production in history, something that is extremely rare, to enable most of the cotton farmers to make their income equal their cost. As cotton acreage has gone down, the cost of production has not declined. The total cost has remained static, but has increased on an acreage basis.

Mr. President, my judgment is that the administration has a program for cotton. It is my honest judgment that this program will materially benefit the cotton grower. If 90 percent support prices for 2 years are deleted from the bill, if the soil bank is enacted, and if the parity base is increased from  $\frac{7}{8}$ -inch staple middling cotton to the average grade and staple of the crop, I feel sure that steps will be taken which, in the long run, will greatly benefit the millions of cotton growers who live in the South, Southwest and Western States. I believe, Mr. President, that the support price for 1956 will be fixed at a reduction in price of less than 3 cents a pound. This reduction is necessary to place cotton in a better competitive position with rayon.

There will be this year a carryover of more than 14 million bales of cotton, the largest in history. I am confident that an export sales program for all qualities of cotton will be announced, whereby our exports in the long run will be built up to 5 million bales of cotton or greater yearly. This will arrest the continual expansion of cotton acreage in foreign lands.

I am further convinced, Mr. President, that cotton acreage will not be permitted to go below the 1956 figure of 17,391,304 acres. It is my judgment that for 1957 and 1958 the administration will seriously consider and probably support legislation or an amendment to this bill which will fix the minimum cotton allotment for these years at 17,391,304 acres, which is the 1956 allotment. We will thus for these years have a floor under cotton acreage such as now prevails for wheat.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. When was that promise with respect to a minimum cotton acreage allotment made? It is news to me.

Mr. EASTLAND. I said that that was my personal opinion.

Mr. ELLENDER. Does the Senator have any assurance that the Department of Agriculture will agree to maintain a floor with respect to cotton acreage allotments?

Mr. EASTLAND. I will say to my friend that I stand on the statement I made. That is my personal opinion.

Mr. ELLENDER. Assuming that the bill as now drafted is passed, that is, with a 90 percent of parity provision included, is it not correct to say that even under a flexible price-support program the same acreage allotments will exist, and the same machinery will be used to design-

nate acreage allotments, as under a 90-percent support program?

Mr. EASTLAND. That is not what I said. I said I thought legislation would be supported by the administration which would do that. It would take legislation to do it. That is my opinion. I may be wrong, but that is my opinion.

Mr. ELLENDER. Let us assume that the 90 percent of parity support provision is removed from the bill, as the Senator suggests. Is it not correct to say that the law, with respect to crop controls, will remain unchanged, that is, precisely as it is now? Is it not true that the method used for computing acreage allotments would not be changed one iota if the 90 percent of parity support level is adopted? The law as to determining acreage remains unchanged in either event.

Mr. EASTLAND. Unless it is amended.

Mr. ELLENDER. Yes, but in determining the number of acres to be planted, in the event the flexible price-support provision should remain in the law, the situation would be unchanged. With either 90 percent of parity, or a flexible support program, the acreage allotments for cotton would be computed in the same manner. To place a floor under cotton acreage would require new legislation; is that not correct?

Mr. EASTLAND. Certainly. I said it would require legislation and that I thought there would be administration support for it.

Mr. ELLENDER. Can the Senator tell us what that legislation will be?

Mr. EASTLAND. No. I am not trying to commit anyone to anything. I simply gave my distinguished friend from Louisiana my personal judgment.

Mr. ELLENDER. I have been hearing such legislation rumored for the past 2 or 3 weeks, and I am wondering what is its purpose, and where it is. I have not seen it. It is a very attractive proposal, but it has not yet materialized. I am wondering if it will be submitted any time soon or if it will remain only a rumor, although an attractive one.

Mr. EASTLAND. I shall stand on my statement.

I now yield to the Senator from Vermont.

Mr. AIKEN. I should say that the purpose of any tentative program would be to put cotton on the market and get back as soon as may be possible to a situation under which the cotton producer can again plant a decent acreage and be assured of a fair income for what he produces. I am not so familiar with cotton as is the Senator from Mississippi. I know he has been growing it all his life. I think he has had a very happy experience this winter in seeing a million bales of the lowest grade cotton put on the world market and disposed of much more advantageously and much more quickly than anyone had supposed it could be disposed of. It has demonstrated, I think, conclusively, that it is possible to recover our world cotton market.

Mr. EASTLAND. That is correct. It was thought it would take until August 1 to sell a million bales of extra-



short-staple cotton. From January 1 through last Tuesday 891,000 bales have been sold and the program will be finished within 2 weeks.

Mr. AIKEN. There will be sold in less than 10 weeks' time what it was expected would take 7 months to sell.

Mr. EASTLAND. That is correct.

Mr. AIKEN. It has been so encouraging that it has demonstrated that if we sell cotton competitively on the world market, in competition with substitute textiles, it will be safe to approve legislation which will assure no reduction in cotton acreage next year.

Mr. EASTLAND. In 1957 and 1958.

Mr. AIKEN. I think the reasoning of the Senator from Mississippi in this respect is sound.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi further yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Does not the Senator know that, with the huge surplus we now have on hand, if the Secretary of Agriculture is to administer the law as it is now written, whether price support is set at 90 percent of parity or whether it is flexible, there is no possible way for a floor to be placed beneath cotton acreage, short of enacting new legislation?

Mr. EASTLAND. Of course, that is correct.

Mr. ELLENDER. I should like to know if during the debate on this bill the Senator from Vermont or the Senator from Mississippi will offer an amendment which will carry out the proposal to place a floor under cotton acreage.

Mr. EASTLAND. I am going to stand on the statement I am now making.

Under the formula in the law and under the present market and supply conditions, the American cotton farmer, unless legislation is approved, faces a reduction in acreage for 1957 of approximately 1,550,000 acres. This, if correct, and I believe it is correct, will make a national acreage allotment next year of only 15,841,000 acres, which is the smallest acreage planted in cotton in the United States since the Civil War.

Mr. President, we face an acreage reduction next year of 8.9 percent.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a table showing the probable acreage reduction by States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| States              | 1956 allotment | 1957 allotment | Acreage reduction for 1957 | Percentage reduction from 1956 to 1957 |
|---------------------|----------------|----------------|----------------------------|----------------------------------------|
| New Mexico.....     | 179,378        | 167,373        | 12,005                     | 6.7                                    |
| North Carolina..... | 483,932        | 428,152        | 55,780                     | 11.5                                   |
| Oklahoma.....       | 845,616        | 755,397        | 90,219                     | 10.7                                   |
| South Carolina..... | 726,193        | 649,484        | 76,709                     | 10.6                                   |
| Tennessee.....      | 563,491        | 510,886        | 52,605                     | 9.3                                    |
| Texas.....          | 7,410,893      | 6,877,025      | 533,868                    | 7.2                                    |
| Virginia.....       | 17,114         | 14,956         | 2,158                      | 12.6                                   |
| Total.....          | 17,391,304     | 15,841,584     | 1,549,720                  | 8.9                                    |

Mr. EASTLAND. The State of Mississippi faces an 11.4 percent acreage reduction.

The State of Arkansas faces a reduction of 10.7 percent.

The State of North Carolina faces a reduction of 11.5 percent.

The State of South Carolina faces a reduction of 10.6 percent.

Mr. President, I do not believe the economies of any of those States can stand such reductions.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield further?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Will the Senator concede that whether we have flexible price supports or rigid price supports the same acreage allotments will prevail? Will not the Senator concede that unless new legislation is enacted, placing a floor under cotton acreage, the acreage allotments will be the same, whether the support level is determined by a flexible formula or fixed at 90 percent of parity for the next 2 years, as the pending bill proposes?

Mr. EASTLAND. Yes.

Mr. ELLENDER. Will the Senator propose such minimum cotton acreage legislation to us?

Mr. EASTLAND. I said I was going to stand on the statement I am making here. I am not trying to convince my friend from Louisiana of anything. I think an amendment will be offered, and I hope the chairman of the Committee on Agriculture and Forestry will support it.

Mr. ELLENDER. Why was not such an amendment proposed before the committee when we were considering the bill?

Mr. EASTLAND. It was not proposed then, because we did not know how this export program would work. It has worked out so well that the export program, plus the acreage reserve in the soil bank, will work off the surplus in 2½ years.

Mr. ELLENDER. And it will do so if we provide a 90 percent support level, will it not?

Mr. EASTLAND. Under the system, which I have supported, the fact remains that we have the lowest cotton acreage since the Civil War.

Mr. CASE of South Dakota. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. The successive reductions in acreage and what that does to the problem of the individ-

ual farmer is not confined to the cotton farmer. When we have successive reductions of 10 or 12 or 13 percent in acreage, it applies to the small farmer, and we are reaching a point where the total net return to the farmer is not sufficient to justify the purchase of machinery and equipment.

Mr. EASTLAND. Wheat is in a preferred position over cotton. There is a vast acreage for wheat.

Mr. CASE of South Dakota. In general, yes.

Mr. EASTLAND. But not as to cotton. We have an acreage which will produce 10 million bales. If this amendment is agreed to, it will simply give cotton the same base as to acreage that it now has.

Remember, as acreage is decreased, the cost of production does not decrease, but it increases on a unit or acreage basis. To arrest further acreage declines for 1957 and 1958, will tremendously benefit the cotton-growing areas of the country.

I desire to add that while I have given the figures for acreage reduction in 1957, they will be much more drastic in 1958, unless legislation is enacted to place a floor on cotton acreage.

Mr. President, our present cotton policies cannot continue. Their continuance will destroy the economies of those States and those people which are dependent upon the cotton crop. We have lost the major part of our great export market to new cotton-producing areas in foreign lands and to foreign rayon production. We are losing our domestic market. Must we sit here and wait and do nothing until the remaining great markets which we have are lost before we take steps to correct it?

Two steps must be taken simultaneously to save the American cotton industry. One step must be to place cotton in a better competitive position with rayon in the domestic market, and the other is to begin to liquidate by Government action the tremendous stocks of cotton which have accumulated. We must do this and at the same time increase the income of the cottongrower. These steps, I am confident, the administration is prepared to take and, Mr. President, as one Senator from a cotton State, I am certainly prepared to support these steps. I think they are constructive, and I know they will be of tremendous benefit to the cotton farmers.

It is proposed to liquidate the 10-million-bale surplus by a two-pronged attack. First, as I have said, is for the Commodity Credit Corporation to liquidate its stocks at competitive world prices. Second, under the soil bank, it is proposed to reduce the present allotments by 3 million acres and to pay the farmer who voluntarily reduces his allotments 15 cents a pound based on his average production for the past 5 years. The farmer whose production averages a bale to the acre will receive \$75 an acre not to plant part of his allotment in cotton. If the bill shall be enacted in time to become effective this year, this, plus the export program, should liquidate the surplus in 3 years of operation, and with no further reduction in acreage allotments.

| States           | 1956 allotment | 1957 allotment | Acreage reduction for 1957 | Percentage reduction from 1956 to 1957 |
|------------------|----------------|----------------|----------------------------|----------------------------------------|
| Alabama.....     | 1,025,141      | 905,503        | 119,638                    | 11.7                                   |
| Arizona.....     | 343,640        | 328,995        | 14,645                     | 4.3                                    |
| Arkansas.....    | 1,424,511      | 1,271,412      | 153,099                    | 10.7                                   |
| California.....  | 782,405        | 737,294        | 44,111                     | 5.8                                    |
| Florida.....     | 36,974         | 34,111         | 2,863                      | 7.7                                    |
| Georgia.....     | 903,221        | 805,369        | 97,852                     | 10.8                                   |
| Illinois.....    | 3,110          | 3,110          | 0                          | 0                                      |
| Kansas.....      | 29             | 29             | 0                          | 0                                      |
| Kentucky.....    | 7,799          | 6,841          | 958                        | 12.3                                   |
| Louisiana.....   | 610,891        | 543,435        | 67,456                     | 11.0                                   |
| Maryland.....    | 25             | 25             | 0                          | 0                                      |
| Mississippi..... | 1,646,562      | 1,453,671      | 187,891                    | 11.4                                   |
| Missouri.....    | 378,055        | 341,192        | 36,863                     | 9.8                                    |
| Nevada.....      | 2,324          | 2,324          | 0                          | 0                                      |



In addition, this provision of the soil bank will add to farm income because the payments to reduce the acreage below the allotments will be greater than the net income if the acreage is actually planted in cotton. Let me say at this point that the figures for my State are \$22 million. I say from experience that a farmer cannot make money on the reduced acreage at a bale to the acre production. This is the break-off point.

The American cotton farmer is in a deplorable condition. Support prices for cotton have been set at an arbitrary figure of 90 percent of parity by law without regard to market conditions or world price levels. The farm program, without the aid of an export sales program, has caused the accumulation of excessive stocks of American cotton in the hands of, and under the support program of, the Commodity Credit Corporation. The problem has been made more complicated and acute because this agency has been prevented by the State Department from disposing of these stocks at competitive world prices, and this has greatly contributed to the shrinkage of American exports. However, the entire system, because it held American cotton prices above foreign prices and above American-produced rayon, resulted in a drastic shrinkage of the American cotton producers' market, both domestic and foreign. The present program was designed and made operative before synthetics became a real competitive factor, and unless changed will continue to have disastrous effects upon the entire American cotton economy.

The fixed support-price program of the United States has largely fixed the price level of world cotton. It has guaranteed that there would be no drastic declines in world cotton prices. Bankers have been secure behind this price umbrella to finance greatly expanded cotton production in the old cotton-producing countries, and it has caused the creation and development of new cotton production in great volume in many new producing areas of the world. This expanded foreign production, and the increased production of synthetics, coupled with our large cotton surplus finally broke through this floor and broke world prices 6 to 8 cents a pound for a time. This market break of their own making should reduce their profits and scare the risk capital that has financed this production to some extent for the future. Now is the time for us to move in and continue to discourage their further expansion. In fact, we can stop it by making it unprofitable. However, this foreign acreage continued to expand and in the last few years the increase in acreage grew to nearly 1½ times the total United States acreage allotted for 1956. Meanwhile, the United States producers were cut from 1953 plantings by 21 percent for 1954, an additional 15 percent for 1955, 4 percent more in 1956, and face another 9 percent cut in 1957. In fact, the United States producer has virtually borne the entire acreage reduction for the world. As he has re-

duced his acreage there has been a corresponding increase in the acreage planted to cotton abroad. His sacrifice has maintained the world price at a high level, and encouraged foreign producers to expand acreage, capture historical American markets, and enjoy a period of unrivaled prosperity which the American farmer has created, but in which he has been denied full participation because of his curtailed acreage.

The result is that markets we have been generations in creating have been surrendered to foreign producers without firing a shot; foreigners have placed their cotton prices just under ours in order to get this export business and to take over in grave proportions the markets for American-grown cotton.

A further incentive to expanded foreign production was our technical and financial assistance programs to provide know-how, equipment, and irrigation projects to remove the production risks and create new production areas. Mr. President, cotton is different from other farm commodities. Cotton must compete with synthetic fibers. Cotton must compete with foreign-grown cotton. The domestic market will not sustain the cotton economy of our country.

The 90 percent support-price program, and the lack of an export sales program, have not only protected the domestic and foreign cotton prices, but the system has also protected the American and foreign synthetic industries, particularly the rayon industry, which have placed their prices just under the price of cotton, and as a result have made great inroads into cotton consumption both in the United States and abroad. The result has been to further decrease the consumption of American cotton, which has made additional contributions to the present low cotton-acreage allotments. I am of the opinion that unless changed, the present program will in the future cause further decreases in the consumption of American cotton and still lower acreage allotments in the United States. Additional losses in the domestic market to synthetics and the loss of our exports to foreign cotton production and synthetics could easily cut our national marketing quota, under existing law, well below 10 million bales; and this, with continued increases in production per acre in the United States, would necessitate additional cuts in acreage allotments that would be still more disastrous to individual producers and areas of the Cotton Belt.

Mr. President, I desire at this time to discuss the domestic upland-cotton situation.

The carryover of 11.1 million bales of cotton on August 1, 1955, and a production of 14.5 million bales for that crop year necessitated the imposition of stringent and uneconomic acreage controls for the 1956 crop year under the existing law. The carryover and the crop provided a supply in excess of 25.6 million bales—an all-time record high. Under the marketing quota law, the following situation exists:

Exports estimated..... 2,500,000

Let me say that this is a half million bales too high.

|                                             |            |
|---------------------------------------------|------------|
| Estimated domestic consumption.....         | 9,200,000  |
| Estimated disappearance.....                | 11,700,000 |
| Thirty-percent allowance for carryover..... | 3,510,000  |

Estimated normal supply-- 15,210,000

These estimates will apparently leave a surplus of over 10 million bales above a normal supply, and a carryover on August 1, 1956, of 14 million bales. The Secretary of Agriculture was required under the law to impose controls for 1956 in the amount of 17,391,000 acres. This drastic reduction in acreage is creating extreme hardships on producers. The 9 percent additional reduction in allotments for 1957 under the law will be disastrous to cotton producers.

Now, Mr. President, let us consider foreign cotton production expansion.

The fixed price-support program and our past CCC policy with respect to export sales have furnished an umbrella under which foreign production has expanded both in acreage and in production per acre with the assurance that it could capture our export markets at profitable prices. Our Government policy has been to force the United States cotton farmer to reduce his cotton acreage in this country to bring world supply into balance with effective world demand.

Foreign countries, with suitable climatic and soils conditions for the production of cotton, and in need of an exportable commodity to provide them with needed exchange or barter in world markets, turned to cotton as a safe commodity to produce, because our fixed cotton-pricing policy guaranteed them a market for their full production at profitable prices. In several instances part of the expansion has been carried out with private American capital, and with United States Government financed technical assistance. In addition to the technical assistance, the United States Government, through gifts, grants, and loans, for economic developments, including irrigation facilities, equipment, and so forth, has actively and materially assisted the expansion of existing cotton-growing areas, and the creation of new such areas in foreign lands. In fact, our Government is largely responsible for the increased foreign production.

I am of the opinion that, if it were not for the mandatory 90 percent support-price program of the United States Government and the lack of an export sales program, which has maintained world cotton prices, bankers and lending agencies would not have extended the credit to expand foreign cotton production, and a large part of these new cotton-growing areas might not now be in existence.

I desire to give a few selected instances of foreign expansion in acreage, and the increase in production encouraged by the price-support program, CCC sales policy, and other policies of the United States Government.



In the period 1950-55 Egypt planted 134 percent of her 1945-49 acreage; Argentina, 139 percent; India, 146 percent; Mexico, 191 percent; Turkey, 225 percent; Syria, 673 percent; Nicaragua, 936 percent. This acreage resulted in an increased production of 3,777,000 bales in these countries during this period. This increase in production was sold principally at the expense of the American cottongrower's market.

Central America is one of the high-producing areas which is expanding cotton production most rapidly. Nicaragua, El Salvador, and Guatemala have steadily increased from 50,000 bales only 4 years ago to 300,000 bales last year. A further increase of about 100,000 bales is expected for 1955-56, and potential production estimates by the United States Department of Agriculture specialists range from 700,000 to 900,000 bales in the next few years. Mexico has doubled her acreage in the last 5 years. India increased her cotton acreage 1.3 million acres in 1955 and she plans additional increases out of the 1.5 million acres of new irrigation from the Bhakra-Nangal multipurpose-dam project. India's long-range plan, under our umbrella, is to increase cotton production from 2.6 million bales in 1949-50 to 5.8 million bales in 1961. Pakistan plans a rapid expansion of production from the 1954-55 level of 1.4 million bales to 2.5 million in the near future.

Foreign acreage increased from an average of 39,152,000 acres for the period 1945-49, to 56,315,000 as an average for the period 1950-54, or an increase of 17,163,000 acres. In other words, Mr. President, the increased acreage abroad under our price umbrella, from 1950 to 1954 was 17 million acres, which approximates the total acreage planted in cotton in the United States.

The unsoundness of our policy is further demonstrated by the fact that our cotton producers were forced, through controlled acreage for 1954, to reduce allotments to 21,379,000 acres, while foreign plantings were increased in the same year—1955—to 60,483,000 acres, or an increase of 21 million acres.

For 1956 the United States farmers' allotment is cut to 17,391,304 acres, which is a slash of 5,457,000 acres from the 1950-54 average planted acreage. Unless we can apply the helpful provisions of this bill, cotton farmers—as I have stated—face another 9 percent national reduction in acres down to 15,800,000, or a cut of over 1.5 million acres more, for 1957. If we continue with our present program, our acreage allotments will continually decrease. Meanwhile, foreign producers will continue to expand substantially above last year's plantings, and will continue to capture markets which are historically those of the American cotton farmers.

As a consequence of the policies demonstrated above, it is clear that United States producers have become for the first time in history the residual suppliers for world cotton markets. These policies have already driven thousands of farmers off the land, and, if continued, will bring bankruptcy to hundreds of thousands of our cotton farm-

ers or will force them completely off the farm. A continuation of these policies will destroy our cotton economy and will undermine our entire economic strength. These policies have deprived thousands of United States tenant farm families of their historical means of livelihood for the crop year 1955, and additional thousands for 1956. These families have had to move, and are moving, to town, and many of them are now living primarily on welfare allotments. They are further adding to our rolls of unemployed, while they are seeking other work. Most of these people are not adapted to, or capable of, efficient industrial production; and they are creating acute social and economic problems in the areas to which they have moved. Past experience indicates that many of them will never return to the land.

Mr. President, let us look for a minute at the world export picture for cotton. The world export picture indicates a continuous loss of these markets by the United States cotton producer since 1929. In the 5-year period 1925-29, the world export market consumed an average of 14,433,000 bales, of which foreign producers supplied 5,858,000 bales, or 40.6 percent, and the United States supplied 8,575,000 bales, 59.4 percent. By 1953, our share of this market had dropped to less than 30 percent. At our present rate of exports for this year, it appears that for the first time we may supply less than 20 percent of this market, the smallest United States exports in 100 years, except for war years.

The world cotton export market has not expanded since 1925, in spite of the increase in per capita consumption, the increase in world population, and the improved economic conditions of its people. This is due to the inroads of the man-made synthetics on the fiber market. Our share of this relatively stable market, however, has steadily declined, except for the fluctuations brought about by World War II, the Korean war, and their aftermaths.

The limitation by our Government on exports in 1950-51 helped to raise the world price to unrealistic heights, and stimulated the aforementioned foreign acreage expansion. This gave impetus to the trend in increased production abroad which constitutes a major feature of our present cotton problem and to expanded synthetic production capacity.

Much of the cotton that we have moved during the last few years into export channels which has sustained the industry has been moved through assistance programs. In other words, approximately 41 percent of the pitifully small amount of cotton we have exported in the past few years has been virtually given away under the export programs, because our cotton has been priced out of the market. From April 1948 to February 1955 we exported over 28 million bales of cotton. We sold for dollars 58.8 percent of this, or 16.5 million bales, and we financed or gave away through ECA, MSA, and FOA the other 41.2 percent, or approximately 12 million bales. These assistance programs are helpful in disposing of our production. They, along with the short crop in 1950 and the Ko-

rean war, helped to prevent a situation similar to the one we now have from developing earlier. These programs, as helpful as they are, are not the answer to our long-time problem. The most important part of the answer is markets. There is no substitute for markets in any formula. We must sell what we produce. A farm program which surrenders markets is doomed to failure. A farmer who loses his markets, Mr. President, loses his farm. We can by law influence the price of cotton for a limited time, but we cannot indefinitely repeal the laws of supply and demand in regard to price. Price alone is no solution. Price alone is not a farm program. Our efforts in this direction have finally caught up with us, as is clearly indicated by the fact that our carryover will be the largest on record—14.2 million bales, next August 1, and our exports will be the smallest in 100 years, except for war years when we had no bottoms in which to ship the cotton.

We have sacrificed markets and production in an effort to maintain price. In this endeavor, we have sacrificed the domestic market, as well as the export market. We have reduced our acreage beyond the stage of individual hardship, to the point of cumulative hardship on every producer, small or large. This is due primarily to the fact that we have become noncompetitive in price by our fixed support-price program and by the export sales policies of the CCC, as set up by the State Department.

The cottongrowers of the United States, as individuals, without the aid of their Government, are at an impossible disadvantage to meet competitive export prices which are subsidized by foreign governments of competing countries. They cannot challenge practices by these countries which bear resemblances to actual dumping of cotton on the world market. These practices have been successfully used to capture the markets of the American cotton farmer. It will take action by the United States Government to meet these conditions which now prevail in the world cotton trade. This is why the sale by the CCC of its stocks at competitive prices is of such tremendous importance to the American cotton farmer. As I have stated, I believe that an announcement in this connection is imminent.

The American cotton farmer should not be expected or required to compete individually with the treasuries of foreign countries. This is especially true when the foreign policy of his own country has materially contributed to his predicament.

Mr. President, another situation that throws much light on this problem and proves that our program has made the American cotton producer the residual supplier of the world market is the change in location of world cotton inventories. Ten years ago the United States carried over 45 percent of the free world's inventories on August 1, while at the end of the marketing year of 1954 we were carrying two-thirds of these inventories. Not only have we forced the American cotton producer to provide them a price umbrella and en-



deavor to maintain the world supply at normal, but he, through the CCC, carries most of the raw cotton inventories for both foreign and domestic mills. Foreign cotton and synthetic producers are supplying the export fiber market.

I say that that fact speaks eloquently on the point that something is gravely wrong when we have a system which has built up in the United States the greatest cotton surplus in history. It has resulted in the lowest figure for exports in a hundred years. It has resulted in the lowest cotton acreage since 1860. There has been terrific expansion abroad, and there is no surplus of cotton abroad. The surplus is held only in this country. What further must we do to show that there is something gravely wrong with a system which permits such conditions?

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Is it the Senator's opinion that the cotton growers of the United States would be able to compete on equal term with the peon labor of Mexico, Peru, Brazil, Pakistan, and other countries now producing cotton?

Mr. EASTLAND. I will give the Senator what I think is a complete answer to that question. For 50 years the American cotton producer has successfully competed with peon labor in India, where the wage scale was from 5 to 8 cents a day.

Mr. ELLENDER. The Senator knows very well that India produces only a pittance of cotton above her own needs.

Mr. EASTLAND. No; the Senator is mistaken.

Mr. ELLENDER. I mean beyond her own consumption. India exported very little cotton.

Mr. EASTLAND. India exported cotton.

Mr. ELLENDER. To Asia.

Mr. EASTLAND. I do not know to where it was exported. I think we could compete.

Mr. ELLENDER. At what price would the American farmer have to produce cotton in the United States to be able to compete on the world market?

Mr. EASTLAND. That would depend, of course, on what the world market was. Cotton grown in Louisiana and cotton grown in my State are highly competitive with cotton grown in Mexico. It is about a  $1\frac{1}{16}$  inch staple cotton. Yes; I think we could easily compete with Mexico.

Mr. ELLENDER. At what price? What would be the price range?

Mr. EASTLAND. Last fall Mexico began to dump her cotton because she was afraid of the announcement of an export sales quota. The market fell to 26 or 27 cents for a few weeks. It is now back to 29 or 30 cents. I think it would move at from 30 to 31 cents. We have some advantage over the Mexicans in respect to quality.

Mr. ELLENDER. Is the Senator arguing that the cost of producing cotton in Mexico is around 25 or 30 cents a pound?

Mr. EASTLAND. I think the Mexican cotton producers lost a great deal of money last year. My information is that

they lose a great deal of money at 27 or 28 cents a pound. They have an export tax of 5 cents a pound to pay.

Mr. ELLENDER. Could not the government manipulate that tax? As a matter of fact, does she not manipulate it now? Could not Mexico make it half a cent, or even do away with it altogether?

Mr. EASTLAND. The government could manipulate it. However, I will state, as a cotton farmer, that I am confident that we could very successfully compete with Mexico and Central America.

Mr. ELLENDER. What does it cost American cotton farmers to produce a pound of cotton?

Mr. EASTLAND. That depends entirely on the production per acre. If a cotton farmer makes three-quarters of a bale to an acre, it costs a great deal. If he makes a bale and a half to the acre, it costs much less.

Mr. ELLENDER. In order to indicate that we now have a huge surplus, the Senator is taking acreage and production figures of last year and the year before, is he not? It is my recollection that last year we planted over 2 million acres less than we did in 1954, and produced almost a million bales more.

Mr. EASTLAND. Yes.

Mr. ELLENDER. That year was unprecedented.

Mr. EASTLAND. Yes. So why argue?

Mr. ELLENDER. I understand; but is not the Senator using production figures of that character to depict the huge surplus he is talking about?

Mr. EASTLAND. Oh, no.

Mr. ELLENDER. What figures is the Senator using?

Mr. EASTLAND. We did not build up the surplus in one year.

Mr. ELLENDER. The Senator remembers that in 1950 we had an embargo on the shipment of cotton.

Mr. EASTLAND. Certainly. That was in 1950.

Mr. ELLENDER. All that surplus accumulated when controls were lifted, and farmers were told to plant all the cotton they could, because of the Korean war. As the Senator knows, 90 percent price support had nothing to do with it.

Mr. EASTLAND. I have said that there are two reasons why we have this surplus. There are two reasons why we have become residual cotton suppliers. One is that the support price has held the price of our product above that of the foreign cotton producer. He has been able to market his product just under our support price. The State Department has refused to permit an export program which would enable us to compete.

Mr. ELLENDER. What assurance has the Senator that the same policy will not be continued in the future?

Mr. EASTLAND. I think there is another reason. I have said that I thought an announcement was imminent with respect to an export sales program.

Mr. ELLENDER. Before the vote on the bill?

Mr. EASTLAND. I do not know whether it will be before the vote on the bill. I have said that an announce-

ment is imminent. I hope it is imminent.

Mr. ELLENDER. I should like to know if the Senator has any inkling as to what is happening. Has the administration had a change of heart, or is it throwing out any baits which might attract some opposition to the 90-percent price support incorporated in the pending bill?

Mr. EASTLAND. I know of no baits. However, as my friend from Louisiana is aware, for a year the Department of Agriculture has been doing everything within its power to get an export sales program. I believe it has been cleared.

Mr. ELLENDER. When the Senator says it has been cleared, does he mean it has been cleared by the State Department?

Mr. EASTLAND. All I can say is—that and this is what I stand on—that in my judgment an announcement is imminent.

Mr. ELLENDER. I repeat, I presume the announcement will be made before a vote on the bill is taken.

Mr. EASTLAND. I do not want to presume that.

Mr. ELLENDER. I will presume it. Let me take the responsibility.

Mr. EASTLAND. I shall be glad to have the Senator take that responsibility.

Mr. ELLENDER. Very well.

Mr. EASTLAND. Currently there are no surpluses in foreign countries above seasonal supplies. The only surplus is in the United States and there is room for part of it now in that market. Yet, in the first half of this year we exported roughly only 800,000 bales of cotton—less than half of last year's small exports because the foreign mills have been waiting on us to adjust our price. But the experts tell us now that foreign cotton production is less than 2 million bales away from export market needs. We must do something now. We have no more time to waste because at present trends foreign cotton production will equal foreign cotton consumption in 2 years according to the Department of Agriculture. Their point there is quite significant. Foreign production has risen, until today it is within 2 million bales of foreign consumption. When the two figures meet, that is, when foreign production meets foreign consumption, United States cotton will be out of business as a major factor in the world cotton industry. The American farmer will be bankrupt.

Mr. ELLENDER. Is that not because we cannot produce on an equal cost basis with the foreign producers, and because we do not subsidize cotton exports?

Mr. EASTLAND. Of course that is not the reason. The cause is what I have been saying all afternoon. It is because of two things. First, we have priced ourselves out of the market, and, second, we have not had an export sales program.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. AIKEN. Is it not a fact that we have priced ourselves out of the market through gearing our cotton support pro-



gram to the requirements of the most uneconomic producers?

Mr. EASTLAND. The Senator is correct. If we had supplied our markets at competitive prices and retained them we would not now face the uphill fight to regain them from foreign cotton and synthetic producers who have geared their production capacity to supply them. Also, Mr. President, we must dispose of our surpluses while together we and they are producing in excess of this current market. This is not going to be an easy task. The producer must be permitted by the Congress to assist in this struggle for markets.

Mr. President, let us now take a closer look at our synthetic competition.

To further complicate the problem, inroads have been made on the domestic and world cotton markets by the synthetic fibers. Profitable investments in the expansion of synthetic production on a worldwide basis have been assured by the United States cotton price support umbrella. These fibers are very competitive in use, but offer little inducement on a consumer preference basis. They have been able to capture huge markets formerly enjoyed by United States raw cotton mainly on the basis of price because a mill will buy and spin what it makes the most money by spinning.

Rayon production alone has increased in the United States from 700,000 cotton bales equivalent in 1938 to 3,400,000 bales in 1954. World rayon production has increased from 4,500,000 cotton bales equivalent to 16,600,000 in the same period. On the domestic scene, rayon in 1954 displaced over 5½ million cotton acres based on the United States average production per acre of the immediate past 5 years. Our 1955 production of synthetics in the United States increased 763,700 cotton bales equivalent. Our synthetic imports doubled for the year to a total of 415,000 bales equivalent. Our United States total increase for 1955 in the consumption of man-made fibers was 978,700 bales, bringing our consumption to 4,578,700 cotton bales equivalent. This increase in synthetic consumption in 1 year displaces another 1.5 million cotton acres production. This is the amount of the acreage reduction facing cotton growers for the 1957 crop below current allotments. The cotton farmers of this Nation cannot continue to cut cotton acreage 1 to 2 million acres each year. This 1955 United States consumption of synthetics now displaces nearly 7 million United States cotton acres annually. The cotton producer must be permitted to become more competitive in the market. On the same basis in the world picture, rayon now displaces over 22 million cotton acres on the world average production per acre. Reliable textile milling interests state that less than 20 percent of rayon consumption is on a consumer preference basis, and that over 80 percent has been lost purely on the price factor.

It is thoroughly alarming that the United States cotton support price became the stabilizing base for world cotton and synthetic production, and thus provided an incentive for expansion. To carry out this policy, we store our cotton

and hold it off the world market until such times as the world supply is exhausted. When world production is excessive, our domestic production remains off the world market, accumulates in Commodity Credit Corporation stocks, and forces curtailment of United States production through acreage controls. No other cotton-producing nation exercises any control over cotton production as such, so that presently world production is increasing faster than United States curtailment. The American farmer should not be expected to bear the entire burden and pay the entire cost of maintaining a normal world supply of cotton, at the same time providing both price and market assurance for world rayon expansion.

Mr. President, as I have pointed out, the road we are now traveling will legislate the cotton farmer out of business in a few more years. Unless we adjust the price support laws and permit him to compete, there is no end in sight to acreage reduction. Allotted acres will get less and less, and acreage reductions have already reached the point of diminishing returns. We have lost our cotton export markets and the Government must spend millions of dollars to help regain them beginning now. Will we also sit here and continue to legislate away what is left of the domestic market before we attempt to save it? Can we justify our refusal to permit the cotton farmer the opportunity to meet his competition and save his industry with our assistance?

Mr. President, I desire a program under which farmers will get the highest possible price for what they produce, the highest possible net income, and which will afford them a high degree of prosperity. It takes two things for a prosperous agriculture. One is price support; the other is volume, or an acreage large enough to give them volume production. We have sacrificed volume production to protect price, and the result is that the American cotton industry is on the brink of collapse. The proposals in this bill, coupled with administrative action which I believe will be taken immediately, and which I have heretofore outlined, will go far toward saving the American cotton producer. I think this entire plan will increase the net income of southern cotton farmers and that it is far superior to what we now have. The provisions of the soil bank will help to bridge the income gap in moving the cotton surplus into consumption and provide a better production plant to enable the cotton farmer to meet his competition when supplies are again normal. We, of course, must have support prices which will help stabilize our rural economy, enable a farmer to secure his fair share of the national prosperity, and preserve a sound banking structure. It is necessary that production move into consumption. The warehouse is no substitute for a market, and I believe that the cotton program as outlined will place the American cotton industry back on the road to prosperity. Therefore, I shall support it.

Mr. AIKEN. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. AIKEN. Mr. President, I wish to compliment the Senator from Mississippi on his very comprehensive and intelligent analysis of the position of the cotton grower in the United States today. I only wish that every cotton grower in the country could have heard what the Senator has had to say on the floor this afternoon, because, then, I am sure we would not continue a minute longer the discussion as to whether we should return to a program which has already lost the cotton grower of America most of his export markets and a good share of the remaining domestic market. There should be no question about going ahead with a program which would restore the cotton industry to somewhere near its former proportions and restore income to the cotton producers of the United States. By "income," I mean price times volume produced.

Mr. EASTLAND. I thank my distinguished friend from Vermont. Does not the distinguished Senator think that this program would place the cotton producers of the United States on a better economic level?

Mr. AIKEN. If Congress does its part, there is no question that the Department will do its part to restore the great domestic cotton-producing industry to its former status. I know the Senator from Mississippi is on very sound ground when he predicts better days ahead for the cotton growers of America, provided the Congress does what it should in the form of legislation.

Mr. EASTLAND. I thank my friend from Vermont.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. I think my good friend from Vermont is overoptimistic.

Mr. AIKEN. I have reason to be.

Mr. ELLENDER. My good friend from Mississippi must know a great deal that others of us do not know as to what is in contemplation and what will be announced before next Monday.

It is apparent that the Senator from Mississippi has made quite a study of the displacement of cotton by synthetic fibers. Does the Senator know at what price cotton should sell in order to regain some of the market it has lost through the substitution of rayon and other synthetic fibers?

Mr. EASTLAND. That would depend on the commodity.

Mr. ELLENDER. I am talking about cotton now.

Mr. EASTLAND. At what price cotton should sell to displace rayon?

Mr. ELLENDER. Yes.

Mr. EASTLAND. That depends on the commodity.

Mr. ELLENDER. The Senator has thoroughly studied this problem—

Mr. EASTLAND. If we put the cotton price down to 22 cents, it would move in on the entire cord market. No one favors any such thing as that. It is something we cannot control. The point I was making was that beginning on January 1, 1955, there was \$155 million earmarked for synthetic fiber expansion in the United States over a 3-year period. We have got to cut cotton prices from



2½ to 3 cents a pound to stop that expansion.

Mr. ELLENDER. The Senator expects to accomplish that through the amendment which he will propose?

Mr. EASTLAND. I stated that I thought if it is not done—

Mr. ELLENDER. To eliminate the seven-eighths yardstick?

Mr. EASTLAND. That would be only part of it. I said I thought I would fix it at a total price reduction of under 3 cents a pound.

Mr. ELLENDER. And that would include changing from the seven-eighths basis, and what else?

Mr. EASTLAND. I think it would be approximately 87 percent. That is merely my judgment. I have no information that my friend from Louisiana does not have.

Mr. ELLENDER. I should like to feel that way.

Mr. EASTLAND. I wish to state that I am perfectly satisfied to do everything I can to protect the cotton industry in which my State's economy is primarily involved.

Mr. ELLENDER. I expect to do the same thing for the cotton industry of Louisiana, but I shall travel a different road.

Mr. EASTLAND. Certainly. I am doing what I think is right and my friend from Louisiana is doing what he thinks is right.

Mr. ELLENDER. Let me point out to the Senator that, as he undoubtedly remembers, in 1950 there were 18,629,000 acres of cotton planted, with a production of 10,014,000 bales of cotton.

Mr. EASTLAND. Yes.

Mr. ELLENDER. He remembers, also, that last year, with 17 million acres planted to cotton, 14,600,000 bales were produced.

Mr. EASTLAND. Yes.

Mr. ELLENDER. And in 1951, although there were 28 million acres planted to cotton in contrast to 17 million acres last year, the difference in production was less than a million bales.

Mr. EASTLAND. Yes.

Mr. ELLENDER. I merely wish to point that out to indicate to my good friend from Mississippi that the huge amount of cotton which we now have on hand can be attributed to the high yields per acre which were realized in the past 2 or 3 years because of the wonderful weather our farmers were blessed with.

Mr. EASTLAND. That certainly cannot be correct, when normal exports of from 5 to 6 million bales a year fell to 3¼ million bales and are now running at a point where we will do well if we export 2 million bales.

Mr. ELLENDER. The Senator said himself that we gave away the cotton that went into export.

Mr. EASTLAND. No; I did not say that.

Mr. ELLENDER. The Senator said we gave away 40 percent of the cotton exported.

Mr. EASTLAND. Wait a moment. Let us keep the record straight.

Mr. ELLENDER. Very well.

Mr. EASTLAND. I said that in the 6-year period I named after 1948 we exported 26 million bales of cotton, of which 12 million bales were given away under some foreign-aid program.

Mr. ELLENDER. That is correct.

Mr. EASTLAND. Our exports have been running 3 million bales, 3¼ million bales, 2½ million bales, in the past 2 or 3 years. Approximately half of that was given away. But when I mentioned these pitiful exports I also mentioned that half of it was given away because we priced it out of the market.

Mr. ELLENDER. The Senator can see also, I presume, that if the plan which he envisions or which he thinks will be announced to the Senate is followed, it will entail a loss to the Treasury.

Mr. EASTLAND. I do not think that at all.

Mr. ELLENDER. Let us consider the million bales of cotton which will be sold within the next 2 or 3 weeks. Does the Senator know how much loss will be sustained by the Government?

Mr. EASTLAND. It is very short cotton which has been unrealistically priced. The seven-eighths provision is for the purpose of correcting that situation.

The Senator has said there would be a loss to the Treasury. The Senator knows that when we have a stock of any commodity in the hands of the Commodity Credit Corporation, and the price of that commodity falls, the Treasury takes a loss in its inventory. That has happened to wheat and to every other commodity.

Mr. ELLENDER. But the loss which will be suffered by the sale of the million bales is in addition to all that. My information is—if I am incorrect I should like to be corrected—that the loss will be in the neighborhood of from \$35 to \$45 a bale.

Mr. EASTLAND. That is cotton which is not consumed in this country.

Mr. ELLENDER. I understand.

Mr. EASTLAND. Practically all the mills in the world, as the Senator from Louisiana knows, want to spin cotton having a staple length of from 1 inch to one and one thirty-second inches. This will run to about 80 percent of the world's consumption. When we begin to offer cotton like that under an export program, we will not have to take such terrific losses.

Mr. ELLENDER. The Senator means longer staples, does he not?

Mr. EASTLAND. Yes.

FARM PROGRAM MUST BE FAIR TO ALL FARMERS  
ALIKE

Mr. NEUBERGER. Mr. President, the questions of farm policy which the Senate is now debating are among the most important facing our Nation this year. They involve directly the livelihood of millions of American families, and indirectly the prosperity of thousands of communities throughout the country. At a time when claims of unprecedented prosperity are made for much of our economy, surely the agricultural recession of the last 3 or 4 years is one of our most important domestic problems.

Certainly no other area of domestic policy has had so much attention or has been so thoroughly and continuously debated in recent times as our programs for agriculture. The economic difficulties which have beset, and continue to beset, our farm families have been graphically documented in the hearings and reports of the responsible committees of Congress. No time or effort has been spared in giving a hearing to every point of view while considering the hotly debated alternative proposals for helping American agriculture through its present difficult period.

The other evening, Mr. President, I was leaving the Senate Office Building at 8:30 o'clock, and I thought that I was probably the last Senator to depart. But at the entrance I met members of the Senate Committee on Agriculture and Forestry, who were coming back from dinner for another night of hard work. That was characteristic of the unselfish effort and energy which have gone into the preparation of the bill now before us.

Unfortunately, I do not have the privilege of serving on the Agriculture Committee. Because the farm bill is now receiving such able exposition and debate from the distinguished members of that committee, who have far more experience than I with the development and the record of our agricultural policies, I do not presume to add much new wisdom to their discussion, and I shall speak only briefly on the bill.

There is much in the bill to which I subscribe, and some things which I deem inadequate.

I believe the committee was wise to grant a trial to the soil-bank program—a plan with origins deep in Democratic farm policies and now fortunately and wisely endorsed by President Eisenhower and Secretary Benson.

I believe it was the part of wisdom to institute a program to encourage farmers to plant grasses, trees, and other resource-strengthening species, in the parts of their acreage taken out of crop production.

I believe the committee was wise in restoring the 90 percent of parity level for price supports on the products which qualify for it, because this is the most immediate way, in my judgment, of shoring up falling farm income in this particular realm of agriculture.

BILL WORTHWHILE, BUT DOES NOT GO FAR  
ENOUGH

For these reasons, I support the committee's bill. My disagreement is concerned with areas in which, in my opinion, the committee did not act boldly enough.

For one thing, Mr. President, I believe the domestic parity certificate plan for wheat certainly merits the same trial which we are now prepared to give to the soil bank. This plan offers a well-thought-out method of protecting the income of wheat farmers without Government purchase and accumulation of wheat surpluses, and it encompasses provisions to protect growers of price-supported feed grain against undue competition from lower-priced wheat. The time has come for us to submit this plan



to the test of experience, and it deserves inclusion in the farm bill. I trust the Senate will add it by amendment on the floor.

Secondly, Mr. President, I believe that this bill perpetuates, more fundamentally, the injustice of protecting the incomes of growers of some crops but leaving the majority of our farmers without any protection whatever.

Why should the Government of the United States support the prices of corn, and cotton, and tobacco, and wheat, and peanuts, and thereby the incomes of those who raise these crops—and do nothing to protect the incomes of farmers who raise cabbages, or apples, or turkeys?

I think that if I live to be 200 years old—although I have no expectation of doing so—I shall never quite see the justification of such a limited farm policy.

Perhaps development of a really far-reaching agricultural policy—designed to protect the diversified family farm against the economic as well as the natural conditions which make the farmer's economic position a peculiarly precarious one—has not yet been stressed by the major farm organizations. Perhaps these organizations have been principally concerned with maintaining and improving the Government support programs for the great basic, mass-produced commodities. But important as they are, these support programs reach only a minority of farm families. In my State of Oregon, only about 16 percent of cash farm receipts in 1953 came from basic commodities. About 66 percent—two-thirds—of cash farm receipts came from commodities with no supports whatever. Mrs. Neuberger's family, who are small farmers, constantly call this to my attention.

During the 4 months I spent in Oregon last autumn, I met with hundreds of individual farm operators to whom the great controversy of this year, over the soil bank and 90 percent or sliding parity, are quite comparatively irrelevant. Yet these farmers are suffering the same squeeze as the producer of basic commodities between rising costs and falling receipts. And the letters I have received from Oregon farmers since my return continue to bear out this obvious fact about our present farm programs.

For instance, Mr. President, on January 23, 1956, Mr. Walker Ellis, of Milton-Freewater, wrote me, in part, as follows:

Since at no time in 1955 did the prune growers receive anywhere near the cost of production, we feel no one should blame us if we are indignant that all proposals for "farm problem solutions" are concentrated on subsidized crops. In view of the fact that four-fifths of the Nation's food crops are nonsubsidized we feel it is time some action was taken in behalf of these farmers. This portion of agriculture is in huge majority, in number of farmers, volume of production, and acres in production, yet because of the small units and diversity of interests is unable to organize or raise huge sums of money for lobbies to promote their interests.

Similarly, I received this letter from Mr. H. G. Faust, of Boring, Oreg., dated January 16, 1956:

We heard you over radio last evening on the President's farm program and I want to congratulate you on your stand and defense of the small farmer. You are right in saying that they should participate in all help. I retired from a college professorship 5 years ago and came to a small ranch I have owned a long time and have 14 acres of berries and the price was so low last year that we had to take a terrible beating and a severe freeze got most of them in November. If there is not a change for the better this year the berry farming is well on its way out and another year or two will wind it up in the Gresham area.

The small farms too will have to go because of low income and increased expenses. I assure you that anything you may do for this situation will be appreciated by thousands of small farmers around the Gresham area. Thanks for your monthly letter and report.

Very sincerely yours,

H. G. FAUST.

I also ask unanimous consent, Mr. President, to have printed at this point in my remarks a letter from Mr. R. E. Schedeen, of Gresham, Oreg., and a letter sent on January 5, 1956, to Secretary Benson by Mr. Edwin E. Phetteplace, a copy of which was sent to me, which make the same point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SCHDEEN BROS. FARMS,  
Gresham, Oreg., February 6, 1956.  
Senator RICHARD L. NEUBERGER,  
Washington, D. C.

DEAR DICK: Thanks for the letter of last December. I heartily agree with you that our party's present subsidy program is inadequate. Not only is it inadequate but it is unfair. For example, farmers in the lower Willamette Valley who are growers of mostly specialty crops not only do not receive any benefits from the program but actually contribute to it in the way of taxes.

In considering the farm problem, great emphasis is placed on present surpluses—too much emphasis. True, on some commodities, such as wheat they are a real burden. However, most commodities are not saddled with overabundance yet their prices are at cost of production and below.

As far back as last spring, before planting time, the market on broccoli was active and the demand keen. The principal buyer in Oregon, Birdseye-Snyder, went out at planting time and attempted to increase their acreage contracts. The contract price was low, about \$100 per ton field-run. This price I have found from experience is below cost of production. I have been producing three to five hundred tons per year. The broccoli market has remained firm throughout and is still good at the present time.

All industry is experiencing and fighting the cost rise. The food processors alleviate this particular problem by the simple process of whacking the price they pay the producers for the raw product. This illustration holds true in a great many other commodities. My point is that present farm surpluses are not to blame for our troubles.

From what I can see, I would say the farmer is greatly to blame for his troubles. He is in much the same position as labor years back. The farmer must organize and tell the processor what the price will be.

The soil bank proposal I believe is sound and basic. It could remove much marginal land from production, thousands of acres of which should never have been devoted to

cultivated crops. However, I doubt that even after 10 years will such a program affect total production. But, from the standpoint of conservation the program could have real value to the future economy of our Nation.

Benson is now stoutly defending the small farmer, yet from the time he took office, it has been obvious from his attitude that certain operators and he implied the small and marginal operators were going to be forced through the economic wringer. From strictly an economic standpoint this may be sound. But it appears to me that if they must go and adjust into a new life that some provision be made which will allow them to make the change without suffering the humiliation of being forced from their small farms. These farmers and their families are fine people and should be allowed to maintain their dignity and self-respect.

More and more small farmers in this area are taking full-time jobs until at the present time most of the farmers in Multnomah, Clackamas, and Washington Counties are what we call part-time farmers. Living close to a metropolitan area they can readily make this change, but throughout our country most small operators do not enjoy this advantage. Spending their time and energies away from their farms is not complementary to their farm operations. This is apparent to one who will drive along country roads and view these places. No doubt production is declining on these places and will continue to do so. These folks are simply trying to work out their own economic problems.

If Congress is going to legislate some action in behalf of agriculture it should be in the form of a basic and permanent program. Subsidy programs are temporary and uncertain and do little more than harm the farmers' public relations with the general public. I am sure you agree with me that their status is none too good now.

Could you possibly send me some of the material on proposed legislation from time to time—no hurry.

Say "hello" to Mrs. Neuberger. Best of luck.

Sincerely,

R. E. SCHDEEN.

THE DALLES, OREG., January 5, 1956.  
Hon. EZRA T. BENSON,  
Secretary of Agriculture,  
Washington, D. C.

DEAR SIR: Some time ago you invited, through the newspaper, criticism or help from the farmers. We being small farmers owning and operating 30 acres of fruit (peaches, apricots, and cherries) and leasing 65 acres of wheat and scab land, have found that it has come to a point where we can no longer make a living on the place. It is necessary for my wife to work in town.

What we are interested in is the fact that wheat, cotton, and peanuts come under a heading of protected yields and guaranteed payments. We believe that it would only be fair that all subsidies be removed and let growers of these crops be obliged to make a living as we have had to do all our lives.

There has never been a time that a small rancher depending on all his own efforts has been helped by the Government, to our knowledge. As we are born Americans, also our grandparents, we think that we are as much a part of these United States as the large wheat grower or the foreigner whom we attempt to appease in the foreign countries, or should we be looked upon as the third-class passengers were on the Titanic. We are still of an open mind, ready to be shown by any Government agent who is welcome to come to our ranch and show us how we can make a living without a subsidy.

Yours truly,

EDWIN E. PHETTEPLACE.



Mr. NEUBERGER. Mr. President, I believe the point is valid. We will not have a really adequate agricultural policy for this Nation until all farmers are treated fairly and with the same recognition for the unique problems they face. We cannot continue forever to place some farmers under the umbrella of price supports and leave all other farm families exposed to economic blizzards.

Recognition of this condition received at least lip-service from the President when he was a candidate for office in 1952. In his well-known speech at Kason, Minn., on September 6, 1952—a speech the farmers of the Nation have since had cause to recall—General Eisenhower said:

We must find methods of obtaining greater protection for our diversified farms, our producers of perishable foods. They yield the rich variety of meat, milk, eggs, fruit, and vegetables that support our nutritious national diet. As provided in the Republican platform, the nonperishable crops so important to the diversified farmer—crops such as oats, barley, rye, and soybeans—should be given the same protection as available to the major cash crops. The Democrat planners have made the diversified farmer the forgotten man of agriculture. They keep saying, "There is no way of protecting perishables except through the Brannan plan." We can and will find a sound way to do the job without indulging in the moral bankruptcy of the Brannan plan.

Perhaps that was only campaign oratory—just as probably was the other famous promise of that campaign for not merely 90 but 100 percent of parity for farm products. But while the performance on these promises has been nil to date, the principle of a farm program for the small, diversified, or specialty producer is right, and it is never too late to redeem the promises.

#### NINETY-PERCENT SUPPORTS NEEDED NOW TO HALT SLIDE IN FARM INCOME

Actually, of course, Mr. President, the administration has failed not only to extend our farm program, as General Eisenhower promised, to new categories of farm families, but it has not even succeeded in maintaining successful programs for those farmers who are reached by existing policies.

Let me read another letter from Mrs. Henrietta Bowers, of Harrisburg, Oreg., dated December 3, 1955, which is typical of many:

Is there anything to be done about the present farm price situation? Today, Ezra T. Benson in a radio broadcast stated that the farmers were accustomed to the high prices brought on by the war and had to come down to reality. The facts on this untruth speak for themselves; the farm income is down 7 percent from a year ago, as compared to a rise in the cost of machinery, and also increased operation cost. In short, the rest of the country is operating on inflation prices while the farmer is operating on depression prices.

My husband and I have been registered Republicans all our lives but as far as we are concerned the farm situation is an outrage to the administration.

I ask unanimous consent, Mr. President, to have printed in the RECORD a letter of February 1, 1956, from Mr. Willard M. Pell, of Pendleton, Oreg., on the

consequences of President Eisenhower's insistence on flexible supports.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PELL'S ACRES,  
Pendleton, Oreg., February 1, 1956.  
The Honorable RICHARD L. NEUBERGER,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: My only means of raising a family is in growing and selling wheat.

Our farm program of flexible price supports coupled with acreage allotments is a sure way of driving competent small farmers into eventual bankruptcy, or giving up to a large operator. The pinch is felt now and under this program it is certain strangulation.

I strongly advocate 90 percent of parity with a limit of \$30,000 CCC loan to any one operator. While the rest of the Nation's business basks in prosperity, we farmers are getting in a precarious position under the present farm program.

Time is of the essence to prevent a repetition of the thirties.

Very truly yours,

WILLARD M. PELL.

Mr. NEUBERGER. Mr. President, to my mind the flexible-support policy is an error, because its major premise is an error. Critics of 90 percent supports say that such supports encourage overproduction and create vast and unmanageable surpluses. Perhaps so, and perhaps we must face up to the problem of surplus production. But it seems illogical, and in defiance of the simplest economics and human nature, to say that supports lower than 90 percent encourage lower production. Obviously, they rather encourage even more forced production on the permitted acreage, so as to make up in quantity what has been taken away in price supports per bushel.

The real effect of sliding supports, and probably their real purpose, is to reduce the receipts from growing the supported commodities to such a point that many farms will simply be forced out of production. If, as I say, that is the purpose, it is certainly being brought rapidly toward fruition.

I ask unanimous consent, Mr. President, to have appeared at this point an article from the Sheridan (Oreg.) Sun of February 16, 1956, under the headline "State's Farm Income for 1956 Predicted To Be Little More Than Half of 1951," which discusses recent trends in Oregon's farm economy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### STATE'S FARM INCOME FOR 1956 PREDICTED TO BE LITTLE MORE THAN HALF OF 1951

Another rough year is looming on the Oregon farm front. Average net income for Oregon farmers this year may be little more than half of what it was in 1951, believes M. D. Thomas, Oregon State College agricultural economist.

Large stocks of farm products piled up in past years will hold prices down even if Congress approved the so-called "soil bank" early this year, says Thomas. Major benefits from the soil bank are "long range," states the economist, with immediate benefits likely to be felt only by Oregon seed growers who would find rapidly expanded markets for grass and legume seeds to plant the Nation's soil banks.

The soil bank would take out of production 10 to 20 percent of the Nation's cropland and

save it until needed in emergency such as drought, all-out war, or by our future population.

If the acreage taken out of crops brought sufficient production cuts, farmers' incomes would improve after awhile, Thomas explains. Farm prices would probably be enough better in 2 or 3 years to more than offset the decreased production, he believes. Meanwhile, substantial Government payments would be necessary to keep many farmers going while the "bank" is being established.

Already, the average Oregon farmer's net income from farming has dropped below \$2,000, compared to \$3,000 in 1951. A further drop in 1955 and prospects for some further decline may slash farm family income by nearly one-half in the past 5 years.

The average net would be down even more if the number of farm operators in the State had not decreased, says Thomas. The census shows only 54,442 farms in the State in 1954 compared to 59,827 in 1950 and 63,125 in 1945.

Many farmers on smaller Oregon farms are supplementing their income with off-farm work. The economist believes such families will seek even more off-farm work in 1956 with job prospects and salaries now favorable. Mill and factory wage rates have risen steadily for several years and now average one-third higher than in 1949.

Mr. NEUBERGER. Mr. President, perhaps a return to 90 percent supports will be only a stopgap. I have already said that in the case of wheat, the chief supported commodity grown in my State, I favor a trial of the domestic parity certificate plan. But I am supporting 90 percent supports now; so that our farmers will still be there, on the farms, by the time a long-range program for basics and for all the different areas of our agricultural economy has been worked out.

#### DROP IN FARM INCOME STABILIZES PRICE LEVELS?

In conclusion, Mr. President, I want to refer briefly to the administration's claim, which we hear so often nowadays, that the cost of living has been stabilized by the wisdom of its economic policies. Much is made of the fact that there has been no rise in the overall cost of living. However, while the farm bill is under consideration is an appropriate time to bring the reason for this to the attention of the Senate.

The celebrated "stabilized cost of living" is being taken out of the hide of the American farmer.

An article by Mr. Richard Rutter in the Sunday business section of the New York Times of January 29, 1956, demonstrates that "the drop in farm prices has kept the overall index in line."

Wholesale farm prices have dipped some 13 percent during this period of 1954-55—

#### The New York Times states.

Meanwhile, metals, rubber, lumber, and other products far removed from the agricultural field have gone up steadily and in some cases spectacularly in the last year and a half.

I ask unanimous consent, Mr. President, to have this revealing article printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:



NO INFLATION, BUT PRICES ARE HIGHER—INDEXES REGISTER STABILITY ONLY BY VIRTUE OF SLUMP IN FARM PRODUCTS—INDUSTRIAL GOODS RISE—OVERALL BALANCE THUS HIDES AN INTERNAL IMBALANCE THAT MAY CAUSE TROUBLE

(By Richard Rutter)

"This may not be inflation we're having, but it's a pretty good facsimile."

That view was expressed the other day by a leading economist. His remark was in direct challenge to a key passage in the President's Economic Report, submitted to Congress on Tuesday. That message stressed that the record boom had been accomplished without the accompanying specter of inflation.

But had it?

Almost daily, for the past few months, news columns have carried reports of significant price increases. These have occurred mainly in basic industrial commodities, but some consumer items have been affected. Consider this sampling of price increases so far this month:

United States Steel raised charges for extras, or special handling charges, applying to carbon plates, sheets, and strip. The adjustment amounted to a 3 to 5 percent price increase.

The American Viscose Corp., the Nation's largest rayon producer, increased prices of high-tenacity yarns by 3 to 5 cents a pound. The material is used for tire cords. Three days earlier, American Enka Corp. had posted similar rises.

Zinc was raised half a cent a pound to 13½ cents, quoted at East St. Louis. The increase followed two recent half-cent increases for lead, the companion metal.

Standard Oil Co. (Ohio) raised heating and diesel fuels 0.3 cent a gallon. Esso Standard Oil Co. marked up marine diesel fuel by 13 cents a barrel, with upward adjustments in other grades.

Prices of Douglas-fir lumber jumped \$5 to \$6 a thousand board-feet.

Price rises of 2 cents a pound were put into effect by major producers of titanium dioxide.

Dow Chemical Co. added 1.5 cents a pound to the price of magnesium alloy.

#### BUYERS VERSUS INDEXES

Few executives are more on top of the price picture than the members of the National Association of Purchasing Agents. Buying of materials is their daily concern. Each month the trade group quizzes its members on the latest economic trend. And each month since September 1954 the purchasing agents have reported higher prices.

How does this jibe with the Government's price indexes, which indicate the cost line has remained stable?

To put it bluntly, these statistics are—not intentionally—misleading. They depict only the surface picture.

Most familiar to the average person is the consumer price index, compiled by the Bureau of Labor Statistics. It is usually regarded as the cost-of-living barometer. In the past 18 months this key figure has actually declined from 115.2 in July 1954 to 114.7 in December 1955 (1947-49 equals 100). Food, of course, is a major part of the family budget; it constitutes almost 30 percent of the budget used in the consumer price index.

It will come as no new tidings to learn that the average retail prices of farm products have declined some 10 percent in the last 18 months. Every other major item in the cost-of-living yardstick—apparel, housing, gas and electricity, medical care, transportation, services, and the like—has risen substantially. So the apparent stability in the cost of living has been due entirely to a decline in food costs.

The businessman, however, is far more concerned with the wholesale price index.

This also is compiled by the Labor Department and it keeps tabs on the host of materials on which industry depends.

What has happened to this important barometer over the last 18 months? The answer, again: Apparent stability. Between July 1954 and December 1955 the wholesale price index has moved up just barely, from 110.4 to 111.3 (with 1947-49 equaling 100).

But here, too, the drop in farm prices has kept the overall index in line. Wholesale farm prices have dipped some 13 percent during this period. Meanwhile, metals, rubber, lumber and other products far removed from the agricultural have gone up steadily and in some cases spectacularly in the past year and a half.

A breakdown of the wholesale price index tells the behind-the-scenes story.

Since July 1954, basic industrial materials have gone up in price as follows:

|                             | Percent rise |
|-----------------------------|--------------|
| Nonferrous metals.....      | 25.9         |
| Rubber and products.....    | 19.7         |
| Metals and products.....    | 13.2         |
| Iron and steel.....         | 11.6         |
| Lumber.....                 | 9.4          |
| Construction equipment..... | 8.7          |
| Petroleum and products..... | 6.8          |
| Gas.....                    | 5.1          |
| Paper.....                  | 5.1          |
| Coal.....                   | 4.3          |

Another way to measure the price rise of basic materials is to compare the quotations in the "spot" or cash markets. Comparing mid-July 1954, with mid-January 1956, this is the gap:

|                                                        |         |
|--------------------------------------------------------|---------|
| Iron, No. 2 grade, at Philadelphia (a ton):            |         |
| July 1954.....                                         | \$60.16 |
| January 1956.....                                      | 62.66   |
| Steel billets, Pittsburgh (a ton):                     |         |
| July 1954.....                                         | 64.00   |
| January 1956.....                                      | 68.50   |
| Steel scrap, No. 1 heavy, at Pittsburgh (a gross ton): |         |
| July 1954.....                                         | 32.00   |
| January 1956.....                                      | 57.00   |
| Copper, electrolytic domestic (a pound):               |         |
| July 1954.....                                         | .30     |
| January 1956.....                                      | .43     |
| Aluminum, ingots (a pound):                            |         |
| July 1954.....                                         | .21½    |
| January 1956.....                                      | .24½    |
| Lead (a pound):                                        |         |
| July 1954.....                                         | .14     |
| January 1956.....                                      | .16     |
| Zinc, East Louis (a pound):                            |         |
| July 1954.....                                         | .11     |
| January 1956.....                                      | .13½    |
| Tin (a pound):                                         |         |
| July 1954.....                                         | .96¾    |
| January 1956.....                                      | 1.02¾   |
| Rubber, No. 1 smoked sheets (a pound):                 |         |
| July 1954.....                                         | .23¾    |
| January 1956.....                                      | .40     |
| Gasoline (a gallon):                                   |         |
| July 1954.....                                         | .15     |
| January 1956.....                                      | .16     |

What does it all add up to? A major price movement—upward. If not actual inflation (how high is up?), this shapes up as an alarming forerunner. It is a symptom—if not a tipoff—that as of now 1956 is an economic question mark. Strong forces are in effect that may well spell serious trouble.

Mr. NEUBERGER. Mr. President, while food costs—30 percent of the average family's budget—have gone down, the Times reports that every other major item in the cost of living yardstick—apparel, housing, utilities, medical care, transportation, and other services—has risen substantially.

Perhaps this stabilizes the overall national cost-of-living index of the Bureau of Labor Statistics. But what happens to the cost-of-living index of a farm farmer's family when the steel with which his machines are made, the rubber in the tires of his tractor, the lumber with which he repairs his barn, the fuel he burns, all keep going up and up while the price of wheat or meat or butterfat drops?

In other words, Mr. President, because the American farmer is being put through an economic wringer, this administration boasts of a stabilized cost of living. I think that on this basis, the administration's pride is hardly justified. When we have inflation in our industrial prices and deflation on our farms, we have little cause for gloating or for pointing with pride.

Mr. President, I trust that we shall enact legislation in this Congress to reverse the unhealthy and dangerous trend toward a farm depression of the last few years. We may not be able to undo overnight, with one farm bill, the dislocations and hardships which have been created by the neglect of this administration in the area of agricultural policy; but the bill which the able members of the Agriculture Committee have brought to the floor takes some essential immediate steps, and I am glad to support its major provisions.

I ask unanimous consent to have printed at the end of my remarks letters from Mr. R. W. Schaad, of La Grande, Oreg., dated January 2, 1955, and from Lester H. Abraham, of Halsey, Oreg., of December 16, 1955, which also illustrate the feeling of the farmers of Oregon that action must be taken soon, and their willingness to give independent thought and imagination to the kind of steps which, they believe, deserve study as possible roads to progress in our farm policies.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LA GRANDE, OREG., January 2, 1956,  
Senator RICHARD L. NEUBERGER,  
Washington, D. C.

DEAR MR. NEUBERGER: I appreciated the letter from Mr. John G. Jones, dated December 8, requesting my thoughts and opinions on the proposed soil-bank program.

I have given this subject much thought and have also visited with many farmers on the subject. Personally, I do feel that some type of an emergency program needs to be put into effect to bring the income from agriculture and nonagricultural groups nearer parity. I am not too sure, however, that the soil-bank program will be the answer. This is also the opinion of many farmers in this area, including many Farm Bureau members. It appears that unless the incentive payments for placing farmland into a soil bank are sufficiently high to compensate the landowner or operator for this set-aside acreage, it will be one of the quickest methods of bringing disaster (financially) to many farmers. This is especially true of the smaller operators. Most of the smaller operators can hardly make a go of it with the present acreage he farms. Machinery must be utilized to the greatest efficiency (labor and capital as well) in order to provide the overhead of operation and necessities of life for the farm family.



The general opinion concerning the use of contracted acreage, should this program be placed into effect, is that absolutely no use except pasturing be made of this land. The reason for the pasturing privilege is that it is a known fact by general farmer and livestock men alike, that pastures as a whole are sadly depleted and overgrazed. If the general idea is to reduce cereal production and restore the productive capacity of the land, it could be done on more acreage at the same time by lightening the burden on all pasture lands, including the soil-bank lands.

We further suggest that the soil-bank land be rotated every 3 or 4 years in order to increase the fertility of a larger area of the farm than just a designated 5 or 7 percent.

In order to be a democratic program, we feel that it should not be compulsory. Instead of buying surplus commodities, put this amount of money into incentive payments. This system will keep the Nation's wealth in circulation instead of storage bins. It is our opinion, too, that a compulsory program will require too much administrative cost in enforcement. The most farmers are independent enough that he would rather do something voluntarily rather than by force.

Sincerely,

R. W. SCHAAD.

*HALSEY, OREG., December 16, 1955.*

HON. RICHARD L. NEUBERGER,  
Senate Office Building,

Washington, D. C.

DEAR SENATOR NEUBERGER: I am sorry that I couldn't attend the Pendleton hearing on the farm situation. A little bit about myself. I am a member of the Oregon State Farmers Union, president of the Oakville local, and a member of the Oregon State Grange. I am speaking for myself only. I own a 140-acre farm, run about 2,000 head of poultry, and 4 head of milk cows. I am 39 years old.

In 1949, I did a gross volume of \$21,000, and about 5 percent of that was net profit. Today, my gross volume will be around \$12,000 or \$13,000. Last year, for the first time in 17 years, I ended up in the red.

Up to now, I have been putting my profit back into my place in building up the soil and buildings. Two years ago I reached that point, but I had to mortgage my property to do that. The way it looks today I am beginning to wonder if I am going to meet the financial obligations that are rising higher and higher, day by day. I think that it is very important that you know the plight of the family farmer of today—the backbone of the Nation. It must be reckoned with that the farmer who is 40 years old today, and younger, is the one who is in the most serious trouble. That is, the majority of them. They have made the money, but they have plowed it all back in to raise a family and buy needed equipment.

The majority of farmers who were 40 years old 12 years ago, and who lived under the prosperous era, have paid up their mortgages and obligations, and have money in the bank.

I live in the center of the grass seed area in Oregon. Common rye grass is 4 cents a pound today; in 1953, it was 10 cents; in 1954, it was 8 cents. My 1955 crop is still in my own warehouse for lack of finding a buyer. I have about \$40 per acre in it, figuring taxes, operating expenses, depreciation on the place and machinery. It all has to come from the soil over a period of years.

I was a member of the farm bureau for 2 years when I discovered that the organization was not talking for all the farmers but for the special interest boys who are farming the farmers. Businessmen are very highly organization, and labor is organized.

We farmers are nothing but sitting ducks waiting to be picked off because we are unorganized. That is where I feel the Government has its responsibility to the farmers,

because for the farmers it is financially impossible for them to organize because they do not have the capital to operate. Some farmers always have some obligations to meet and he has to sell something at rock-bottom price to meet that obligation. I believe that it is part of the duty of the Government to act as mediator or administrator to attain fairness to all.

I am utterly opposed to the flexible program because it tends to eliminate small or family farmers, and it also fosters an autocratic type of farming. We have enough of that in the executive branch of our Government today. I am opposed to the two-price plan on wheat for the reason that the program is too burdensome. The machinery set up to operate it is too costly. Besides, why just support wheat? Why not write a farm program for all farmers?

I question the acreage-reserve plan for fear that will work hardships on family farmers. But I trust that you, Mr. Chairman, use your good judgment to what is right. I am not opposed to the food-stamp plan, but I am opposed to taking our surpluses and dumping them to get rid of them when there are hungry people in this world. That would be a very poor Christianity.

I am very much in favor of a program for all farmers based on the law of supply and demand, with 90 to 100 percent of parity, that support and subsidy to be used only in cases of difficult times, much preferring production payments over supports or subsidy; and, last, that each farmer be put on 1,800 units of production, which will cover 95 percent of the farmers. These limits are very essential in controlling surplus on the farm level. I would like to say that farmers are just as greedy a bunch as any other group of business. If they could make a million on an acre, they would holler for more. Therefore, these limitations are very important.

The present program we have today is like a rope around our neck, and we are being led around by our noses.

What I am in favor of is nothing but the old Brannan program.

My reason for the 1,800 units is simply let us farmers be our own boss; let us produce abundantly. We will govern our production when it is based on the unit system, for the law of supply and demand will control the overproduction. This program, I realize, will cost a lot of money to start, as the present administration has allowed parity to drop so far. During the war we had a unit system for deferment. One cow a unit, so many hogs, so many chickens were units. Payments for milk were put on a production basis.

Mr. Chairman, I frankly believe that if this program had been in effect today our farm economy would not be sagging as it is today. I also feel that our surplus food today is an asset, not a liability.

I also am sending copies to Senators MORSE and ELLENDER and to Representative GREEN.

Yours truly,

LESTER H. ABRAHAM.

Mr. DANIEL. Mr. President, on behalf of myself and my colleague, the senior Senator from Texas [Mr. JOHNSON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Dakota [Mr. YOUNG], and the Senator from New Mexico [Mr. CHAVEZ], I send to the desk an amendment to the pending bill, S. 3183, which I ask to have printed and to lie on the table until called up at a later time.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. DANIEL. Mr. President, this proposal, known as the Plainview plan, is very simple. It would establish price

supports of 90 percent of parity on barley, oats, rye, and grain sorghums, provided a certain percentage of the total cultivated acreage on each farm is taken out of production, over and above that set aside under the acreage reserve program in the Soil Bank Act. This percentage would vary each year according to the supply of feed grains on hand, up to a maximum of 15 percent, except that 20 percent would be laid out the first year.

Farmers would maintain their own soil-building practices on the layout land without direct payment for that purpose. Their compensation would come as a result of the 90 percent of parity on crops actually planted. Compulsory rotation of layout acreage would be required so the least productive land could not be devoted to this purpose every year. Cross-compliance as to the basic allotments would be required, but no marketing quotas or acreage allotments would be necessary on feed grains.

Farms with 20 acres or less of cropland would receive 90 percent of parity without complying with the layout requirements. The amendment would become effective upon approval by two-thirds of the producers of feed grains in a national referendum.

It is generally agreed that the two principal objectives of the present farm legislative proposals are, (1) to relieve the farmer from the price squeeze caused by the increase in the cost of production and the gradual lowering of the price of farm commodities, and (2) to reduce the surplus with its depressing effect on the market for all agricultural products. This amendment would contribute a great deal toward both goals.

As to the first, with the support levels recommended in the pending bill, farmers will be able to derive a fair return from the portion of their farms devoted to the basic crops. However, nationwide and on the average farm, the basic crops amount to only approximately 40 percent of the cultivated land. On the remaining 60 percent, the farmer is either losing money or is making such a small margin of profit that it is not feasible for him to continue. What the farmer urgently needs is another cash crop on which to realize a fair return.

This amendment would not only put more money into the farmer's pocket; it would also give him something to show his banker or his local representative of the Farmers' Home Administration, in applying for a loan. In many areas, it is not possible to obtain such a loan now because of the severe cutback in acreage allotments of the basic crops; and the lending agency cannot afford to take a chance that nonbasic commodities may be worth little or nothing when harvest time rolls around.

With reference to the second objective of this proposed legislation—to reduce the surplus of farm commodities—the simple answer, of course, would be for the farmer to stop producing those commodities in excess supply. However, many of our farmers have been reduced in their basic crops to the point where they have no cash and no credit. A farmer in financial difficulty cannot af-



ford the large expenditures for new machinery required in changing from one crop to another, even where growing conditions permit, especially when the new crop may itself be in surplus within a year or two. He must have sufficient income to sustain himself and his family, so he continues to grasp for a straw. He goes on planting his land, hoping against hope that by harvest time the market for the crops he has planted will have strengthened.

Some of this land has been put into vegetables, hay, and permanent pasture; but by far the major part of it has gone into the production of feed grains—barley, oats, rye, and grain sorghums. As a result of the large production of these crops, cattle which formerly went to feed lots in the Midwestern States are now going to areas which produce feed grains. The corn farmer is being hurt, and the feed-grain farmer is going broke.

Farmers from the Panhandle and south plains area of Texas, New Mexico, and Oklahoma met recently in Plainview, Tex., and resolved to do something about this situation, or at least to ask Congress to do something about it. The plan which I am presenting is the outgrowth of that meeting. While they were producers of grain sorghums and particularly were concerned about that commodity, this problem is shared by all feed grain farmers. The program they have recommended now includes barley, oats, and rye in addition to grain sorghums.

These farmers stand ready to give up a percentage of their land without revenue for a fair and equitable price on the crops raised on the remaining land. They suggest a 20 percent reduction in 1956—that is, over and above all soil-bank or reserve acreage—because the least productive land will naturally be taken out first, and a maximum of 15 percent thereafter. However, it is well to bear in mind that this percentage is of the total cultivated acreage on each farm. Since few farmers have over 50 or 60 percent of their land in feed grains, the reduction in feed grain-acreage would run much higher, probably 30 to 35 percent the first year, and about 25 percent thereafter.

Agriculture Department figures show that nearly 70 million acres were planted to feed grains in the United States last year. Assuming a 30 to 35 percent reduction in 1956, somewhere between 21 million and 25 million acres would be laid out. After that, the layout land would run approximately 15 million acres per year.

On their 70 million acres of feed grains, American farmers in 1955 harvested approximately 2,229 million bushels of these commodities. It would not be completely accurate to say that 30 to 35 percent of this total production would be eliminated, because the farmer would naturally lay out his poorest land the first year. However, a safe prediction should be that 15 percent, or 334,350,000 bushels, would be removed from the market. After the first year, the per-

centage reduction should be about the same for both acreage and production.

The amendment which we propose will fit perfectly into the soil-bank provision of the committee bill. While the primary purpose of the soil bank plan—at least, the acreage reserve portion of that proposal—is to reduce acreage planted to basic crops, this amendment will attack another serious problem—the tremendous surplus of feed grains. Actually, it would also complete the job of the soil bank plan by taking the pressure of excessive competition away from the basic crops, especially corn.

For the information of other Senators, I ask permission to have included as part of my remarks a clipping from the Wall Street Journal, showing the serious nature of this problem; a summary of Agriculture Department reports setting out feed grain acreage and production by States; and a sketch of how this plan would operate on the average farm, in relation to the Soil Bank Act.

The PRESIDING OFFICER (Mr. ANDERSON in the chair). Is there objection?

There being no objection, the article, summary, and statement were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal]

**SORGHUM GLUT SPECTER RISES WHERE WHEAT, COTTON WERE CUT BACK—EXPANDED PLANTINGS WILL GET BOOST FROM NEW SEED THAT PROMISES 20 PERCENT HIKE IN YIELD**

(By Jerry Bishop)

LUBBOCK, TEX.—Here on the table-flat plains of Texas, where the cotton country meets the wheat country, the specter of a new farm surplus is rising to plague the agricultural planners.

The up-and-coming promiser of unwanted plenty is sorghum. It's a plant with a stalk that resembles that of corn. But at its top, instead of a tassel, it has a head of grain.

Of all the burdens borne by Uncle Sam's price-propping Agriculture Department, there are none to compare with wheat and cotton. Some \$4 billion of Federal funds is now tied up in idle heaps of the grain-and-fiber pair. And, to escape the wheat and cotton scourge, the Government has, in the past few years, ordered mighty cuts in the acreage planted to them. Northward from here toward Canada, more than 20 million acres have been whacked off wheatfields. Southward another 10 million acres have been cut from cotton.

#### A NEAT PILE GROWING

But farm folks in these parts have made an interesting discovery. A crop of sorghum just does fine in those idled acres. And the Government price props sorghum grain. So the farmers are now growing it like crazy. And, since they are producing it faster than livestock can eat it, a neat pile of the grain is already beginning to form in the lap of Government surplus holders.

A final note of irony: Plant wizards have just come up with a new hybrid sorghum seed that will produce 20 percent or more sorghum per acre than seed heretofore used. The De Kaib Hybrid Seed Co., one of the Nation's largest producers of hybrid-corn seed, is now busy shoveling out some 10,000 bushels of the new sorghum seed to farmers in Texas, Oklahoma, Kansas, and Nebraska. Farmers will pop it into the ground this spring.

Agriculture Department production figures bespeak the frenzied activity in sorghum growing. Prewar 1939 saw farmers produce only 53 million bushels of sorghum grain. Last year they harvested a thumping 232 million bushels. Now, with the potent new seed to help out, many talk freely of 300-million-bushel crops in the near future.

Officials figures also delineate the pileup of this grain in Government hands that's now being noted nervously by Federal officials. Two years ago, at the end of 1953, Government men had an undisturbing 5.8 million pounds of sorghum grain in their bins. But at the end of 1954 they had over 756 million pounds. And as 1955 wound up they had nearly 1.8 billion pounds.

#### COTTON LAND, WHEAT LAND

Here in this 1 Texas county (Lubbock County) some 170,000 acres have been taken out of cotton over the past 4 years—and just about all of it planted in sorghum.

"We don't keep records of sorghum acreage on the county level," say Walter Welis of the county's agricultural stabilization committee, "but it's almost a sure bet that every acre that was taken out of cotton in this country went into sorghum." A single Lubbock County farmer, T. A. Stevenson, switched 400 acres to sorghum just this past year.

Travel north from here into the wheat country and you hear the same story. Some 200 miles north of Dalhart, Tex., where farms are really man-sized, farmer Harold Hogue, who cultivates about 12,000 acres, put 4,600 acres of exwheat land in sorghum this past year.

To some it is disturbing spectacle. Howard S. Whitney, agricultural economist at Texas A. & M. College, figures that, counting on population and livestock growth, this big sorghum grain productivity will be fine say 20 years from now. But for the near future he can't see how it's to be consumed. "There's just so much and no more that can be used," he says.

#### ANOTHER BASIC CROP

Agriculture Department men with an ear to the ground may well reflect uneasily over murmurings in these parts to the effect that sorghum is getting to be such a big boy that it ought to be considered a basic crop in the price-support machinery.

The basic staples—now corn, cotton, wheat, rice, peanuts, and tobacco—get better support treatment. The minimum at which they can be price-propped now is 75 percent of parity—and there's a bill in Congress aimed at making 90 percent mandatory again. Sorghum at present only has a 70 percent of parity support. The Agriculture Secretary could abstain from giving it any price support at all if he wanted to.

There's no big clamor yet to give sorghum a basic status. But the idea has its advocates. Such a one is E. B. Lindsay, farmer and manager of a grain elevator a few miles north of here at Abernathy. Says Mr. Lindsay: "They should include sorghum with corn in the support program."

He, like other sorghum farmers, points out that these two crops are almost identical in chemistry and in use. Both are used primarily as livestock feed. (Basic corn will be price-propped at 81 percent of parity this year, compared to sorghum's 70 percent.)

There is no precise definition of just what it takes to make a crop basic in the price supporting world. But the nearly 13 million acres of sorghum grain harvested last year was pretty close to cotton's 16-million-plus acres. It was 7 times the 1.8 million acres harvested in basic rice, 8 times the 1.7 million acres harvested in basic peanuts, and 9 times the 1.5 million acres harvested in basic tobacco.



## Acreage and production of feed grains in the United States, 1955

| State               | Oats                           |                                     | Barley                         |                                     | Rye                            |                                     | Sorghum grain                  |                                     | Total feed grains              |                                     |
|---------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|
|                     | Acreage<br>(thousand<br>acres) | Production<br>(thousand<br>bushels) | Acreage<br>(thousand<br>acres) | Production<br>(thousand<br>bushels) | Acreage<br>(thousand<br>acres) | Production<br>(thousand<br>bushels) | Acreage<br>(thousand<br>acres) | Production<br>(thousand<br>bushels) | Acreage<br>(thousand<br>acres) | Production<br>(thousand<br>bushels) |
| Maine.....          | 83                             | 2,490                               | 2                              | 52                                  |                                |                                     |                                |                                     | 85                             | 2,542                               |
| New Hampshire.....  | 2                              | 70                                  |                                |                                     |                                |                                     |                                |                                     | 2                              | 70                                  |
| Vermont.....        | 21                             | 735                                 |                                |                                     |                                |                                     |                                |                                     | 21                             | 735                                 |
| Massachusetts.....  | 2                              | 78                                  |                                |                                     |                                |                                     |                                |                                     | 2                              | 78                                  |
| Connecticut.....    | 3                              | 99                                  |                                |                                     |                                |                                     |                                |                                     | 3                              | 99                                  |
| New York.....       | 710                            | 29,820                              | 88                             | 3,168                               | 12                             | 252                                 |                                |                                     | 810                            | 33,240                              |
| New Jersey.....     | 41                             | 1,681                               | 23                             | 851                                 | 12                             | 252                                 |                                |                                     | 76                             | 2,784                               |
| Pennsylvania.....   | 793                            | 34,099                              | 222                            | 8,436                               | 22                             | 462                                 |                                |                                     | 1,037                          | 42,997                              |
| Ohio.....           | 1,365                          | 70,980                              | 65                             | 2,502                               | 32                             | 656                                 |                                |                                     | 1,462                          | 74,138                              |
| Indiana.....        | 1,315                          | 68,380                              | 82                             | 2,542                               | 96                             | 1,584                               | 1                              | 35                                  | 1,494                          | 72,541                              |
| Illinois.....       | 3,168                          | 177,408                             | 140                            | 4,760                               | 105                            | 1,785                               |                                |                                     | 3,413                          | 183,953                             |
| Michigan.....       | 1,466                          | 67,436                              | 129                            | 4,580                               | 40                             | 600                                 |                                |                                     | 1,635                          | 72,616                              |
| Wisconsin.....      | 2,807                          | 138,946                             | 63                             | 2,205                               | 44                             | 550                                 |                                |                                     | 2,914                          | 141,701                             |
| Minnesota.....      | 4,828                          | 197,948                             | 1,155                          | 28,298                              | 112                            | 1,680                               |                                |                                     | 6,095                          | 227,926                             |
| Iowa.....           | 5,738                          | 258,210                             | 20                             | 660                                 | 22                             | 374                                 |                                |                                     | 5,780                          | 259,244                             |
| Missouri.....       | 1,511                          | 60,440                              | 436                            | 11,554                              | 70                             | 980                                 | 93                             | 2,325                               | 2,110                          | 75,299                              |
| North Dakota.....   | 1,968                          | 55,104                              | 3,568                          | 82,064                              | 585                            | 9,360                               |                                |                                     | 6,121                          | 146,528                             |
| South Dakota.....   | 3,872                          | 100,672                             | 503                            | 9,306                               | 321                            | 4,012                               | 65                             | 1,008                               | 4,761                          | 114,998                             |
| Nebraska.....       | 2,095                          | 54,470                              | 200                            | 4,000                               | 164                            | 1,886                               | 713                            | 7,843                               | 3,172                          | 68,199                              |
| Kansas.....         | 1,171                          | 32,202                              | 688                            | 12,384                              | 69                             | 690                                 | 2,772                          | 31,878                              | 4,700                          | 77,154                              |
| Delaware.....       | 10                             | 375                                 | 12                             | 396                                 | 15                             | 270                                 |                                |                                     | 37                             | 1,041                               |
| Maryland.....       | 73                             | 2,993                               | 86                             | 3,354                               | 15                             | 292                                 |                                |                                     | 174                            | 6,639                               |
| Virginia.....       | 183                            | 6,954                               | 110                            | 3,850                               | 22                             | 385                                 |                                |                                     | 315                            | 11,189                              |
| West Virginia.....  | 57                             | 2,080                               | 14                             | 462                                 | 2                              | 28                                  |                                |                                     | 73                             | 2,570                               |
| North Carolina..... | 528                            | 18,480                              | 56                             | 1,652                               | 18                             | 252                                 | 108                            | 3,024                               | 710                            | 23,408                              |
| South Carolina..... | 780                            | 21,450                              | 18                             | 369                                 | 15                             | 165                                 | 16                             | 304                                 | 829                            | 22,288                              |
| Georgia.....        | 644                            | 16,744                              | 9                              | 162                                 | 10                             | 95                                  |                                |                                     | 663                            | 17,001                              |
| Florida.....        | 40                             | 960                                 |                                |                                     |                                |                                     |                                |                                     | 40                             | 960                                 |
| Kentucky.....       | 164                            | 4,592                               | 125                            | 2,875                               | 20                             | 270                                 |                                |                                     | 309                            | 7,737                               |
| Tennessee.....      | 327                            | 9,483                               | 80                             | 1,440                               | 21                             | 220                                 |                                |                                     | 428                            | 11,143                              |
| Alabama.....        | 300                            | 7,800                               |                                |                                     |                                |                                     | 46                             | 874                                 | 346                            | 8,674                               |
| Mississippi.....    | 512                            | 15,360                              |                                |                                     |                                |                                     |                                |                                     | 512                            | 15,360                              |
| Arkansas.....       | 456                            | 15,960                              | 30                             | 600                                 |                                |                                     | 61                             | 1,372                               | 547                            | 17,932                              |
| Louisiana.....      | 107                            | 3,852                               |                                |                                     |                                |                                     | 5                              | 100                                 | 112                            | 3,952                               |
| Oklahoma.....       | 706                            | 12,002                              | 224                            | 2,912                               | 70                             | 490                                 | 1,070                          | 13,375                              | 2,070                          | 28,779                              |
| Texas.....          | 1,492                          | 26,110                              | 148                            | 2,072                               | 17                             | 110                                 | 6,297                          | 144,711                             | 7,954                          | 173,003                             |
| Montana.....        | 375                            | 13,875                              | 1,397                          | 41,910                              | 19                             | 304                                 |                                |                                     | 1,791                          | 56,089                              |
| Idaho.....          | 209                            | 10,032                              | 576                            | 18,432                              | 5                              | 75                                  |                                |                                     | 790                            | 28,539                              |
| Wyoming.....        | 145                            | 4,205                               | 129                            | 3,612                               | 8                              | 88                                  |                                |                                     | 282                            | 7,905                               |
| Colorado.....       | 146                            | 4,526                               | 355                            | 8,875                               | 34                             | 238                                 | 660                            | 4,950                               | 1,195                          | 18,589                              |
| New Mexico.....     | 21                             | 567                                 | 28                             | 700                                 | 7                              | 70                                  | 363                            | 4,356                               | 419                            | 5,693                               |
| Arizona.....        | 11                             | 550                                 | 188                            | 11,280                              |                                |                                     | 133                            | 6,783                               | 332                            | 18,613                              |
| Utah.....           | 39                             | 1,677                               | 190                            | 7,790                               | 8                              | 80                                  |                                |                                     | 237                            | 9,547                               |
| Nevada.....         | 6                              | 246                                 | 16                             | 560                                 |                                |                                     |                                |                                     | 22                             | 806                                 |
| Washington.....     | 166                            | 7,636                               | 732                            | 18,300                              | 31                             | 326                                 |                                |                                     | 929                            | 26,262                              |
| Oregon.....         | 301                            | 10,327                              | 559                            | 17,888                              | 15                             | 218                                 |                                |                                     | 875                            | 28,433                              |
| California.....     | 176                            | 5,632                               | 1,781                          | 64,116                              | 8                              | 88                                  | 194                            | 9,700                               | 2,159                          | 79,536                              |
| Total.....          | 40,933                         | 1,575,736                           | 14,247                         | 390,969                             | 2,066                          | 29,187                              | 12,597                         | 232,638                             | 69,843                         | 2,228,530                           |

Source: Crop Production, 1955 Annual Summary, published by Agricultural Marketing Service, USDA.

## AVERAGE FARM OF 125 ACRES

(a) Twenty-five acres of submarginal land leased to the Government under the conservation reserve program.

(b) Forty acres basic crop allotment; 10 acres of this taken out of production under acreage reserve program.

(c) Twenty acres of layout land under Plainview plan (20 percent of cultivated land excluding conservation reserve).

(d) Forty acres of nonbasic crops, part of all of which would be feed grains.

Mr. DANIEL. Mr. President, I ask unanimous consent to have the text of the amendment printed at this point in the RECORD.

There being no objection, the amendment intended to be proposed by Mr. DANIEL (for himself, Mr. JOHNSON of Texas, Mr. HUMPHREY, Mr. YOUNG, and Mr. CHAVEZ) was ordered to be printed in the RECORD, as follows:

On page 3, between lines 22 and 23, insert the following:

## "PRICE SUPPORTS—FEED GRAINS

"Sec. 104. Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section as follows:

"Sec. 204. (a) The Secretary shall make available through loans, purchases, or other operations price support at a level of not less than 90 percent of their respective parity prices to cooperators for any crop of barley, oats, rye, and grain sorghums with

respect to which two-thirds of the producers of such commodities voting in a referendum held by the Secretary for such purpose vote to approve the program provided by this section. Such referendum for the 1956 crop shall be held not later than May 1, 1956, and for any subsequent crop not later than January 1 of the year in which such crop is planted.

"(b) The provisions of subsection (a) shall not apply in any year to commodities produced on any farm on which the cultivated acreage exceeds 20 acres unless—

"(1) there is withheld from cultivation, grazing, and all other revenue-producing uses an amount of acreage on such farm (in addition to any acreage placed in the acreage reserve under subtitle A of the Soil Bank Act)—

"(a) in the case of 1956 crops, not less than 20 percent of the cultivated acreage on the farm;

"(b) in the case of 1957 and subsequent crops, not less than such percentage of the cultivated acreage on the farm as the Secretary determines may be so withheld without impairing supplies of agricultural commodities needed to meet domestic and export requirements;

"(2) the acreage withdrawn from use in accordance with paragraph (1) has not been withdrawn for the purpose of such paragraph in any prior year, until all other acreage on such farm has been so withdrawn for prior years.

In determining, for the purposes of this section, the total cultivated acreage on any farm

or any percentage thereof, there shall be included all acreage regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage), and there shall be excluded any acreage covered by a contract entered into under subtitle B of the Soil Bank Act. The percentage proclaimed by the Secretary under paragraph (1) (b) shall not be more than 15 percent, and shall be uniform for all farms. Such proclamation shall be made prior to the holding of the referendum under subsection (a)."

## INACCURATE STATEMENTS ATTRIBUTED TO CERTAIN REA COOPERATIVE OFFICIALS

Mr. CASE of South Dakota. Mr. President, I desire to refer to an article written under the byline of Nat Caldwell and published in the Nashville Tennessean. The article was printed in the Appendix of the RECORD on February 8, at the request of the distinguished Senator from Montana [Mr. MURRAY]. The article includes some statements alleged to have been made by Mr. Ancher Nelsen, Administrator of the Rural Electrification Administration, at the recent meeting of the national association, at St. Louis, Mo.

Mr. President, at the outset I wish to state that if I had been in the position



of the distinguished Senator from Montana, and if I had read an article of that sort, and if I had been chairman of the Committee on Interior and Insular Affairs, which is concerned with power and similar matters, probably I would have called attention to the article, too.

However, I wish to say that the statements quoted in the article and attributed to certain officials of REA cooperatives in the State of South Dakota are untrue, as has been stated to me by several of those who attended the session.

I wish to call attention to the statements on that score, and I desire to say something about Mr. Ancher Nelsen.

The article, which appeared in the Nashville Tennessean on January 29, 1956, included, among other things, these paragraphs:

TO SILENCE MANAGER

A South Dakota cooperative president said that Nelsen appeared before his organization's board and warned them to silence its manager, long a critic of Nelsen's REA policies.

"Make Virgil Hanlon keep his slingshot in his pocket, if you want any help from me," the president, Alfred J. Pew, Madison, S. Dak., quoted Nelsen.

Hanlon, manager of the East River Elective Cooperative Association, has been active on key committees of the National Rural Electrification Cooperative Association. He was a strong supporter of the Colorado-Ute resolution.

The articles contain this further paragraph.

The co-op now is applying to the Bureau of Reclamation for an additional power supply from Fort Randall Dam. "Nelsen said that we had no chance with the Bureau if he refused to help us and he would so refuse, if Hanlon was active," Pew said.

It happened that I was going through the city of Madison, S. Dak., on the 16th of February just past. That is the residence of my distinguished colleague, the senior Senator from South Dakota [Mr. MUNDT]. I stopped at the office of the East River Electric Cooperative for the purpose of conferring with Mr. Hanlon and leaving with him some information which I had assembled with respect to the charges for power from the Missouri River Basin projects. I found that the directors of the East River Electric Cooperative Association were in session. They invited me to sit with them for a time, both before and after lunch.

During the time I was present the matter of this article came up for discussion, and Mr. Alfred J. Pew, president of the association, flatly stated, in my presence, and to the group there, that Mr. Nelsen did not make any such statement as he, Pew, is quoted in the article as having said Mr. Nelsen made. I refer to this sentence:

"Make Virgil Hanlon keep his slingshot in his pocket, if you want any help from me," the president, Alfred J. Pew, Madison, S. Dak., quoted Nelsen.

I refer also to the following sentence:

"Nelsen said that we had no chance with the Bureau if he refused to help us and he would so refuse, if Hanlon was active," Pew said.

Both those quotations attributed to Mr. Pew were referred to during the dis-

cussion, while I was present at the meeting. Mr. Pew very definitely said that he made no such statement. That is, he did not quote Mr. Nelsen as having made any such statement.

I think the discussion indicated that, in a somewhat jocular vein, Mr. Nelsen did refer to Mr. Hanlon, and said, "Virgil, keep your slingshot in your pocket, and let us get down to business," or something to that effect. But it was in a jocular vein, and the import of the statement, as it was understood at the time, was that they should address themselves to the matter at hand; that there was no threat; and that there was no statement to the directors present that they should "make Virgil Hanlon keep his slingshot in his pocket."

In addition to Mr. Pew, the president, there were present at the meeting which I attended Mr. Dwight Dickason, vice president of the East River Cooperative, from Castlewood, S. Dak.; Mr. William Raabe, of Tyndall, S. Dak., chairman of the Operations Committee; Ralph Dennis, one of the directors, from Canova, S. Dak.; and Mr. Arthur Jones, secretary of the East River Cooperative, whose home is at Britton, S. Dak.

Mr. Jones was the only one of the group who thought to read into anything Mr. Nelsen said any suggestion of disfavor. The others were unequivocal in saying that they did not know how this article came to be written in that way. Mr. Pew used the phrase "I do not know how they got it screwed up that way." I talked with Mr. Pew on the telephone the other day, and he confirmed what I have said, that Mr. Nelsen did not make the statements attributed to him.

Mr. MUNDT. Mr. President, first of all, I am very happy that my colleague happened to be present at the meeting of the East River Electric Cooperative board of directors. My hometown is the headquarters of the East River Cooperative. I am glad that my colleague has brought to the Senate this direct information, correcting the false impression which was conveyed by the article in the Tennessee newspaper.

I should like to supplement what my colleague has said by saying that when I read the article in the Appendix of the RECORD I wrote to a number of friends of mine in the REA in South Dakota, inquiring what it was that had given rise to the article, and what all the furor was about. I have received a few letters upon which I should like to comment briefly. The first is from Mr. Harry C. Anderson, of Lily, S. Dak. He is vice president of the board of directors. He attended the meeting at Madison, to which my colleague has referred, where this subject was discussed a week or two ago. In reply to my letter he says:

LILY, S. DAK., February 15, 1956.

Senator KARL E. MUNDT.

DEAR FRIEND: Several letters have come out of your office in regard to a newspaper article which appeared in a Tennessee paper and brought to the attention of the Senate by a Senator from Montana. Apparently you picked the East River Electric Cooperative directors at random in mailing out your letter, as several of us did not receive the letter. However, one of the directors who

received the letter showed it to me today. I feel, as vice president of the board of directors and chairman of the joint committee, that I should write you concerning the matter referred to in your letter.

First, let me say Ancher Nelsen was asked to meet with us in St. Louis. This request came from the East River board. The meeting took place in the hotel and I was present through all of the discussion. After Mr. Nelsen was briefed on the difficulty we are having in coming up with a master contract with the Bureau, Mr. Nelsen offered the services of his assistant, Ralph Forman, who was present at this meeting, in helping us get the contract in a final and an acceptable form.

In leaving the room Mr. Nelsen looked to Mr. Hanlon and made some remark about Mr. Hanlon keeping his slingshot in his pocket. I don't think anything was said in the discussion to prompt this remark, as we had a very friendly discussion. And the remark was made in a joking manner. I did not take it very serious although some of those present take a different attitude, but that is a matter of personal opinion.

Ralph Forman was in Madison today attending a special board meeting carrying out the service that Ancher Nelsen said he would and I believe that considerable progress has been made on the master contract.

As far as I am concerned the news article carried several misstatements as well as being slanted.

Now, I don't have your letter or the part of the RECORD that you mailed to refer to at this time. But I want to make this point clear, that as far as I can determine the relationship between the East River board and Ancher Nelsen is no different now than it has been in the past. We may not be in full agreement on everything, but I am sure we respect each other just as much for that.

You probably will receive letters from some of the other directors too, so this matter gets cleared up to your satisfaction.

Thank you very much for your interest and I hope this has helped straighten out some questions you asked.

I remain, as ever,

HARRY C. ANDERSON.

Mr. Anderson describes the position Mr. Jones took in much the same manner as my colleague has described it.

Mr. CASE of South Dakota. Mr. Jones agreed that the statement was not made in the way in which it was quoted.

Mr. MUNDT. That is additional confirmation as to the reaction of those who actually heard the statement.

I think it should be emphasized that here is a man who heard the discussion, who attended the meeting in St. Louis, and who is vice president of the East River Electric Cooperative of South Dakota. He says:

As far as I am concerned the news article carries several misstatements as well as being slanted.

I also received a letter from another member of the board, Mr. William Raabe, of Tyndall, S. Dak., dated February 16, 1956. He says:

TYNDALL, S. DAK., February 16, 1956.

Senator KARL MUNDT,

Washington, D. C.

DEAR SENATOR: I received your letter and copy of the CONGRESSIONAL RECORD which I was glad to receive but was somewhat shocked when I read some of the statements made. I was present at the meeting when Mr. Nelsen met with the board of directors and Manager V. T. Hanlon, of East River Power Cooperative, Inc.



At this meeting we talked over matters concerning the master contract that East River Power Co-op is entering into with the USBR and at which time we asked Mr. Nelson for some help, and it was at this time when Mr. Nelson said he would do all he could to help us and also offered the help of Mr. Ralph Forman to get matter cleared with USBR and it was at this time when Mr. Nelson said to Manager Hanlon to keep his slingshot in his pocket till we see what we could get done, but my thinking was that Mr. Nelson said this in a pleasant, joking way. I also would like to mention that Mr. Hanlon has been disappointed with the USBR in getting things done and I am sure he has the backing of the entire board, which feel the same way.

In regard to Mr. Nelson's meeting with the resolution committee, I have no comments to offer as I did not meet with this committee.

With personal regards, I remain,  
Sincerely yours,

WM. RAABE,  
Director, East River Electric Power Co-op.

I have a third letter, from Mr. Dwight Dickason, of Castlewood, S. Dak., another member of the board. He writes along the same line. He says:

CASTLEWOOD, S. DAK., February 16, 1956.  
Senator KARL MUNDT,  
Washington, D. C.

DEAR KARL: It just so happened that your letter came just ahead of a special board meeting of East River, and this incident described in the CONGRESSIONAL RECORD was given a thorough airing. It so happened that Senator CASE was in town and was invited to sit in.

As to the slingshot incident just as Mr. Nelson was leaving the room, as I remember his words and with a smile on his face the words he used were "See that Virgil keeps his slingshot in his pocket." However, we had not been discussing bureau power allotments, we had been discussing our master contract.

In the discussions that ensued yesterday both Mr. Pew and Mr. Jones denied making such statements. As to what happened in regard to the other activities mentioned I would not know. You may check further with Senator CASE as to the reactions of the board when this incident was mentioned.

Respectfully yours,  
DWIGHT DICKASON.

I think it is important to clear up this matter, because I do not know where the editor of the Tennessee newspaper got his information. I know our good friend from Montana [Mr. MURRAY] put the editorial into the RECORD in good faith, because he saw it in the newspaper and had no reason to dispute its accuracy. However, it is important to correct this statement, because it may be designed to drive a wedge between the REA co-ops in South Dakota and the REA Administration in Washington. Quite the contrary from the implication in the article is true. We have had a most successful experience with REA in South Dakota from its inception. I should like to point out, for example, that REA electric loans in South Dakota during calendar year 1955 reached the highest level since 1950. They totaled \$5,300,000. This was \$2 million more than had been made in either of the last 2 years of the previous administration.

In the telephone program, the REA record in South Dakota is even more impressive. It is a matter of record that since the present administration took

office, telephone loans in the State have increased 360 percent.

Quite obviously, with a record like that, no right-thinking official of REA in South Dakota, and no REA official in Washington would be critical of Anchor Nelsen or the administration of the REA program.

I should like to point out further that in South Dakota there are 34 borrowers of electric loan funds. It is also true that at this time there is only one South Dakota borrower who has an application on file with REA to borrow additional money. More than anything else, this indicates the good service and prompt attention REA is giving the needs of its borrowers. It also indicates the success with which REA is being operated and administered at the South Dakota end of the line.

Adequate funds are available for the rural electric systems of South Dakota to carry on the work of extending their lines and improving their service. As a matter of fact, they have a total of \$10 million in unadvanced loan funds, which they may draw down at any time to meet their needs.

Not one of the South Dakota borrowers is delinquent in paying back the money borrowed from REA. The borrowers maintain this record in the face of mounting debt payments. This can be attributed to the administration's policy of selective help to borrowers, that is, providing help where it is needed. It can also be attributed to the splendid, efficient administration of Anchor Nelsen.

The REA record of this administration is one of acceleration. Nowhere is there evidence of a slow down, but on nearly every front there is evidence of speed up and of close attention to the needs of borrowers.

I believe that fact needs to be spread on the record, so that those who might have formed a false impression from an inaccurate statement reported in a Tennessee newspaper can have the facts not only from the record of performance in South Dakota, and from direct first-hand information given men and my colleague, when my colleague attended the meeting of the East River Cooperative, but also from the letters sent to me by the directors of cooperative in South Dakota who attended the meeting and who heard made the statement which was referred to in the newspaper.

Mr. President, in the West we have the faculty sometimes of saying things in jest or with a smile on our face which, when reduced to cold print, do not mean what they were intended to mean when they were said. I have heard Mr. Hanlon and Mr. Nelsen kidding each other a great deal, and that is quite understandable, Mr. Nelsen being a Republican, and Mr. Hanlon being a Democrat. Neither one of them was engaged in playing politics. When they kid one another it is all done in good fun and with a smile on their faces, and it is so understood by all who have been associated with them. It is certainly not cricket to put down in cold print a statement taken out of context, devoid of the smile, and devoid of the tone of voice,

and imply that REA is assuming a dictatorial policy in South Dakota, because such is definitely not the case.

Mr. CASE of South Dakota. I appreciate the contribution which my colleague has made to the debate and his comments, as well as the letters which he has read into the RECORD.

I wish to say, in addition, that I know that Anchor Nelsen has been exerting every effort he appropriately can exert to arrive at a solution of the problem of the contract which has existed between the East River Cooperative and the Bureau of Reclamation, which is the agency selling power from the Missouri River Basin dams.

I know that Mr. Nelsen has spoken at various times with me about the matter. He had his representatives at Madison on the day to which allusion has been made. To the extent that the Rural Electrification Administration has been able to help the East River Cooperative in getting the contracts approved in the way the East River Cooperative desired to have them approved, the REA has done so.

I should like to conclude my remarks by saying that I appreciate the presence on the floor of the distinguished Senator from Montana [Mr. MURRAY]. I had told him I would say something about the matter. I wish the RECORD to be perfectly clear that I know he inserted the editorials in the RECORD in good faith, and had no knowledge that the incident was not as it was reported.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. MURRAY. Of course, it is obvious that I have no personal knowledge of the accuracy or inaccuracy of the statement contained in the newspaper. It is a nationally known journal, and I assumed that it printed what it thought was the truth. I shall be glad to call to the attention of the editors of the newspaper the statements the Senators from South Dakota have made and to have the editors determine whether they will accept the correction.

Mr. CASE of South Dakota. I appreciate very much the statement by the distinguished Senator from Montana.

I conclude my remarks by asking permission to insert at this point in my remarks extracts from an address by Mr. Nelsen, Administrator of the REA, as printed in the February 1956 issue of Rural Electrification.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

Today in the year 1956, I am sure every one of us is hopeful that the next 20 years will parallel the success of the past. Therefore, I think it is most appropriate that we now look to 1976.

The great strength of our country was developed by our people. They weren't looking for a welfare state. They were looking for the opportunity to think for themselves and to do things for themselves. There is much to help guide us as we adjust our course toward 1976.

Today we sometimes see signs that the old-time guiding principles are being forgotten. Yet these principles were so effective for those early champions of democracy.



But consider, for example, what the REA program would have been like if it had just been a big government project, if it had not been built upon the foundation of local independence. Suppose, for a minute, that the REA program had been a power program laid down by bureaucrats from Washington—as some have advocated. Your ideas, your judgment, and your independence in that case would have been excess baggage. Unwanted and unused. Do you think you would be where you are today with a program like that? We didn't let it happen and we mustn't.

During 1955 average monthly usage per farm served by REA borrowers was 245 kilowatt-hours. This means that farm usage has doubled in the last 7 years. We have barely made a start at what can be accomplished in adapting electricity to farm production.

In face of the increasing consumption, what should be our attitude toward promoting greater usage? It is, of course, vitally important that you encourage increased usage not only as a service to your consumers but also as a means of balancing your load and thus improving your load factor. This is a sound way to increase your net revenues.

Today the rural electrification plant representing the REA program is relatively new despite the 20-year age of the program. The average age for electric distribution plant today is about 9 years. Consequently, wear and tear has not been of much significance so far. You have had to spend very little for replacements and give very little attention to maintenance. Experience with outside plant in operation for 9 years has been that the wearing out rate is less than one-fifth of 1 percent.

This brings us to the point that is of concern to you as you look toward 1976. Your plants are just now reaching the age at which the wearing out increases sharply. By 1976 it will be 15 times the present rate.

On the basis of the loads we can see developing in the next 20 years, new generation plants and related transmission will have to be built by your power wholesalers in the amount of an estimated \$3 billion.

We can expect that only a part of this new capacity will have to be built with REA financing. On the assumption that the generation and transmission construction within the program continues at approximately the present rate, you are likely to be looking for loans approaching a billion dollars.

Now then, add these generation and transmission needs to the distribution needs and you have about \$6 billion.

In other words, our rough calculation indicates that your systems will need approximately twice as much capital in the next 20 years as you have had in the first 20.

Let us think of this point in terms of the challenge it presents to you for the next 20 years. In many respects it is a greater challenge than that which faced us two decades ago. If it took good farmer commonsense to get our program started, it will take even more of that same good commonsense to carry on successfully.

In the country today there are about 300,000 unelectrified farms. Nearly all of these can be electrified in the next 5 years. But it is up to you. At the present time, your co-ops are connecting 8 out of every 9 farms being connected.

Undoubtedly, there will be a few farms which, because of isolation or other reasons, will not be electrified, but these ought to be mighty few.

Cost of power is a highly important factor in our financial operations. And as we look at the power-cost picture today, we must recognize that the cost of the essentials to electric power production—materials, sup-

plies, labor, taxes, and financing—has risen sharply during the last 10 years.

What effect will this have upon your operations?

System improvements are going to require more and more of your attention as the consumption we spoke of a few minutes ago continues to rise. And at the same time, you are seeing your return per kilowatt-hour decreasing as consumers through their increased usage move into lower rate blocks.

Next, let us take the matter of power supply and procurement.

Because of the importance and complexity of power-supply situations, REA concentrates more attention on this and related aspects than any other one thing. Right at the top of our electric organization, we have men assigned to do nothing but follow nuclear power developments, for example. And we have made it a specific assignment to help borrowers with power contracts.

By working with one group of cooperatives, new contracts were negotiated that will save the co-ops \$100,000 in 5 years. Power costs have been reduced from a wholesale cost of 1 cent a kilowatt-hour in 1941 and 8.2 mills in 1951 to the figure of 7.6 mills for 1954 and down to 7.4 for 1955. Part of this reduction is due to improved load factor, but part of it is also due to improved wholesale contracts.

We all need to remember that the availability of low-cost hydro power in many sections of the country is limited.

Atomic energy is a new and exciting possibility for rural electrification. But many of those who are authorities in the nuclear power field believe that it may be at least 5 and possibly 10 years before competitive cost power is produced from reactors.

Nowhere is commonsense more urgently needed than in the consideration of power supply. There are great benefits springing from the ownership of a generation plant—adequate supply, independence of operations, the satisfaction of being your own boss which is a traditional aim of all good Americans. But in the consideration of powerplants, we need to look at the act itself. Nowhere in the act is the administrator permitted to use as justification, pride of ownership or prejudice. We shall, however, proceed to finance powerplants when the interest of the farmer can better be served by so doing.

Let us now take the matter of public relations. I am sure all agree on the importance of this. The picture others have of your cooperative and its activities will play a big part in how you fare on the road to 1976.

You have often heard me say that I believe one of the greatest threats to this program is the politics that is sometimes played with it.

I am sure we have all had occasion to see co-ops, now and then, fall victim of political intrigue. Partisan advocates can—and have—split co-ops wide open. I know of one instance where the co-op—or I should rather say in this case, the farmers—stands to lose a valuable source of power simply because somebody tried to use this program for political advantage. I know of another instance where the contribution of a co-op mailing list to one political faction, but not to another, cost the co-op and the program public support that was badly needed. \* \* \*

Perhaps our best guide in public relations is the law itself and the legislative history that accompanied its enactment. The act calls for the extension of rural electrification and telephone service to our rural people. And that has to be our objective. What's more, it is commonsense that the farmer and the general public can understand and fully endorse. It is your soundest course to 1976.

Applications for telephone loans are coming in this year at a slightly higher level than for any year in the program to date. Our telephone loans are up and our backlog is

the lowest it has ever been. We have made more than \$40 million in loans during the last 6 months, the largest amount in any similar period of the program.

During the 1956 fiscal year, we expect to reach the \$80 million telephone loan program we had set as our goal.

Overall processing time for loans is about half of what it was a couple of years ago and we are advancing funds at nearly double last year's rate. That means telephone building is proceeding at new record levels.

We have been able to cut the number of delinquent telephone borrowers from 33 at the end of December 1954 to 23, even though a larger number of borrowers are now in a debt-service status.

When they come to us and ask for REA loans to provide modern dial service to the farmers in their areas, we make the loans, provided feasibility and the requirements of the act are met.

Similarly, when a cooperative or mutual can do the job, we give them all the help we can. We hope that no one will attempt to pit cooperatives against independents. This will tend only to slow down expansion of rural telephony.

I am pleased to report to you that the President in his recent budget message indicated strong and vigorous support for the program. The new budget provides for approval of loans for electrification in the amount of \$185 million in 1957, which is the same as that for 1956 and \$20 million higher than in 1955. It also provides for approval of loans for rural telephones in the amount of \$80 million, the same as for 1956 which is \$27 million higher than for 1955.

The President said that we are going to go right ahead with our policy of meeting the farmers' needs for electrification and telephones. And I likewise pledge you that our efforts of the past 3 years will continue and that we will work without fear or favor in the interest of the American farmer.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. HUMPHREY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield for the purpose of suggesting the absence of a quorum?

Mr. HUMPHREY. I shall be glad to yield for that purpose, if that is the Senator's wish.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I rise to speak on the farm bill, S. 3183. In doing so I wish especially to commend and to thank the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] for his steadfastness to the duties of his committee, for his diligence, and for his perservance. I know of no man who has given more time, more thought, and more hard work to the preparation of legislation in one of the most complex and difficult fields



than has the senior Senator from Louisiana. I think it is fair to say that the Senate Committee on Agriculture and Forestry has performed its task of seeking information relating to the problems affecting our farm economy with the utmost care and steadfastness of purpose.

As the Senate knows, the committee has conducted hearings in many States. For weeks and weeks hearings were held in Washington. There were many hours of executive sessions. There have been prolonged discussions with representatives of the major farm organizations as well as with official representatives of the Department of Agriculture.

I am particularly pleased to note that the farm question is one which has received more public attention than has almost any issue which has been before the Congress.

This debate may well be one of the most crucial of the debates of this session of the Senate. It is another milestone in the historic struggle of American agriculture for equality of treatment in our economy.

Mr. President, I intend speaking at considerable length during this debate, because I am convinced that there is an urgent necessity to clarify the atmosphere and to correct the historic record of much of the barrage of misinformation, calculated or through sheer lack of knowledge, which has distorted in the public eye the position of the American farmer and the justice of his fight for economic equality.

To my colleagues who are present I may say it is my intention not only to speak this afternoon, but, if permitted, to speak tomorrow, and possibly I shall have to ask to speak even later than that. I have prepared a very substantial record with much detailed documentation. This record runs to more than 350 pages, and it is my intention to present every word of it.

As one Senator, I have witnessed a barrage of advertising, propaganda, and so-called public relations on the farm question which is without precedent in American history. This propaganda, emanating not only from political circles, but from the Department of Agriculture, has done much to confuse public thinking on the vital economic and social issue of agricultural legislation.

It is my sole purpose in the opening stages of the debate, insofar as my own participation is concerned, to set the record straight, to get the facts before our colleagues, and, hopefully, to get the facts before the American people.

I regret the necessity of using this forum to expose false assumptions which have been accepted by the American press as fact, primarily because of the authorship of some of this misinformation coming from official circles in the Government. Yet, I feel there is such a necessity, if we are properly to understand just what is really at stake in our forthcoming vote.

I champion American agriculture upon the floor today, as I have repeatedly in the past and shall continue repeatedly to do in the future, because it is a minority—an economic minority and a population minority—a mistreated and

neglected minority. It is a minority less organized than most, with, by its very nature, less opportunity to use other means of protecting the inherent rights of those engaged in farming to share fully in the privileges of our democratic society, economically as well as socially.

It lacks the power of concentrated big money to wield influence in its behalf.

It lacks the power of organized economic bargaining to protect it from exploitation in the marketplace.

Yet it has on its side the greatest power of all, namely, the power of justice—of common American justice. If the American people can but know the facts, then understanding the facts, they can translate and relate their views to their representatives in Congress, and justice will prevail.

Our democracy's blessings are intended for all the people. For a democracy to survive, its economic opportunities must be shared by all the people.

My concern for agriculture is basically justice for our farm families, and the strengthening of our democracy by keeping the balance of economic opportunity from being tilted too far in any one direction.

I digress to say that the first moral requirement of Government is justice to its citizens—political justice, social justice, economic justice. The facts of today can lead but to one conclusion: That the American farm family is not being given economic justice, or is not even being afforded the opportunity to obtain economic and social justice.

My concern for farmers is the same concern I have always held for any underprivileged group needing someone to speak out in their behalf. It is with considerable regret, therefore, that I sometimes note a lack of concern for the plight of farm families among some of my good friends who are eagerly crusading for justice to all minorities.

It is with even deeper regret that I see great organs of the American press taunt some of us who dare champion the farmer as mere self-seeking politicians, capitalizing upon the bad odor they themselves have created in the public's mind around the honorable word politician.

If they must persist in refusing to give some of us credit for deeply held convictions, let them at least examine the facts to see if our motivation is politics alone.

Farmers are becoming increasingly smaller in number and in percentage of our population, and therefore decreasingly important politically if that is man's only concern for his fellowman.

Frankly, it is merely simple arithmetic. There are not as many people on the farms today as there were a few years ago; and from a point of view directly related to the votes, the votes are not there. Therefore, I think it is quite evident or obvious that what we are really talking about is fair play, equality of treatment, and economic justice for each and every American; and in this particular debate, for the American farmer.

The influence of the American farm population, politically and economically, is but a shadow of that of the great industrial giants of our day, or even, of the vast numbers of our working men

and women banded together in organized labor. The political reward for championing the cause of the farm population is even less—unless a man is dedicated to justice and feels compelled to reckon with his own conscience.

Mr. President, in past years I have traveled the length and breadth of the land, visiting hundreds and hundreds of farm homes. I have traveled the highways and byways of the State of Minnesota as much as, and in some instances, I am sure, more than, most of our citizens. I have attended the family picnics, community picnics, the meetings of farm bureaus, Farmers' Union locals, the Grange, and cooperatives. I think I know those farm people. I have listened to their expressions of their problems. I have attended their community gatherings. I have spoken at their REA meetings. I have been in their homes. I am happy to say that my wife and children many times have been with me.

During the past year I have concentrated more of my time and attention upon the problems of agriculture than upon any other single aspect or area of the legislative responsibility which is mine in Congress. I am proud to be a member of the Committee on Agriculture and Forestry. I want the RECORD to be quite clear that long before I came to the Senate I was deeply concerned about the economic and social challenges and problems which faced our farm families. I am very proud to say that my father before me, as a State legislator, a city official, and a merchant, was equally concerned.

As mayor of the city of Minneapolis, it was my privilege on several occasions—yes, on many occasions—to visit with, talk to, and participate with many farm groups that came to the city of Minneapolis. Furthermore, I would travel from time to time in the outlying areas of our State, representing my city of Minneapolis at the great agricultural gatherings.

Therefore, let any of the critics and cynics go out with me among the farm people and spend as much time as I have spent with them. Let the critics and the cynics see at first hand the basic worth of the farm people as individuals; as human beings instead of statistics. Let them come to know the sturdy character of these fine Americans, and to know of their devotion to farming as a way of life, rather than simply as a way to make a living.

Any Member of the Senate who would have attended the hearings held before the Committee on Agriculture and Forestry would have been proud to witness the high caliber of citizenship and the intelligent participation of our farmers as they came to give their testimony. It gave me new faith in American democracy. It made me understand more clearly and more precisely the great secret power of this country, namely, the maturity of judgment, the good commonsense, the sense of justice and fair play, which exist in the great body of American citizenry.

If those who are critical or cynical will review and study history, in our own country and abroad, they will gain an understanding of what a stabilizing



factor the people of the soil and a sound agriculture have proven to be to countries and governments. Let them review the writings and reflect on the vision and foresight of Thomas Jefferson and others of our early founders, who recognized so well the vital importance of farm families to the preservation of the kind of democracy they were creating.

I remind the Senate that no society ever was destroyed when its agriculture and its farm families were given an equal opportunity to share in the fruits of their toil and in the benefits of organized society; or, conversely, that every nation which has gone down the pathway of totalitarianism or tyranny, or every country or civilization which has been destroyed, has first witnessed or experienced the exploitation of its human resources, and then of its great natural or physical resources.

When the people are taken care of, and when the people and their governments will manage and preserve and safeguard their God-given natural resources, we have the underpinnings of a strong, sturdy, and wholesome society.

The great responsibility of this Government is ever to be concerned about our people; to be concerned about justice and fair play for our people. Then the Government and the people, working together, will preserve, conserve, and develop the great God-given resources of land, water, timber, and minerals with which this country is so abundantly blessed.

And then let those who are critics of our farmers or those who attempt to speak up for our farms tell me that farm people are not supposed to share equally in our economy, that they are supposed to be just "second-class citizens." Or let them review the blunt record of facts and figures I intend to present, and then tell me farm people are sharing equally in our economy.

I offer these introductory remarks merely to emphasize how deeply significant the issue before us really is.

It is more than an economic issue. It is an issue which tests the whole moral fiber of the Senate of the United States, the sense of fair play and equal treatment which is supposed to be characteristic of the American system.

What is involved is far more than a matter of who is going to get farmers' votes next November, and who is not. No man can predict that. Farmers, thank God, are independent-minded people. They have been a balance wheel in this country and in every other country for generations.

It is far more than asking a beneficent government to hand out a relief "dole" to needy farm people. It is really a matter of preserving the very keystone of our democracy by proving to ourselves and to the world that American democracy offers equal opportunity for rural resident and city resident alike and that justice does not stop at our metropolitan boundaries.

In a democracy, economic justice is as vital as legal justice.

We who are fighting for justice for agriculture must fight an uphill battle against growing cynicism, misrepresenta-

tion, and regrettably, at times, outright exploitation.

There are those who would prefer, for their own selfish ends, seeing a large segment of our population at their economic mercy.

There are others who just do not care, as long as they are doing all right themselves. At least, it would so appear. I hope that I am most wrong.

There are others so smugly blind that they refuse to look beyond their preconceived notions, and repeatedly parrot unfounded assumptions and generalities that have been dangerously harmful, not only to agriculture but to our entire country's economy.

It is regrettable, indeed, that in a country so dependent upon agriculture as a basic source of sustenance and raw material, the greatest body of the opinion-influencing press and periodicals of this country have let themselves fall into one or the other of those three categories.

Now I should like to outline the aims of this debate insofar as my participation is concerned.

Perhaps this debate should be regarded as an opportunity to educate our non-farming people, not only about the problems of farm people, but of their own stake in those problems. There really is not a separate farm problem in America, Mr. President. It is a national problem, a national question. Every part of our economy is interdependent. We all rely on one another. This great productive American economy cannot long endure if it finds itself out of balance, with certain segments on the ascendancy and other segments moving toward recession and depression.

Perhaps this is an opportunity to correct much of the misinformation which is still being given out across the countryside. I read it every day, Mr. President, and I have heard a great deal of it over television, even within recent days, under official auspices.

In any event, it shall be my intention during my participation in the debate to correct the misconceptions.

My remarks will be divided into sections covering where we really stand in American agriculture today, how we got there, how agriculture's plight threatens the rest of our economy, and what we can and should do about it.

In discussing these topics, I hope to explode a lot of myths—and, may I say, very cleverly designed myths which have been foisted upon the American people month after month and year after year.

I intend to challenge many of the assumptions so blindly accepted as fact today—usually by people who are more willing to echo wisely the mouthings of others which just happen to readily fit their own comfortable little niche of preconceived impressions, than they are willing to put such assumptions to the careful scrutiny of test against facts and experience.

The first myth which has gained too much acceptance in this country is the idea that all this talk of farmers suffering economic hardship is just hogwash; that, really, farmers are mostly riding around in Cadillacs and puffing 50-cent

cigars—the kind of impression Harper's magazine recently tried to create, and others have contributed to. It is just about as true as having farmers think everyone in New York lives in a penthouse and gads around nightclubs all night, just because that is the way they see it in some movies.

Next, the idea that 90 percent of parity is either "rigid" or "high."

Our good friends in the working press have been told it time and again, and I can well understand why on occasion they have had to accept, as fact, the argument that 90 percent of parity is "high" and "rigid."

If newspapers think that, they can say so as views of the editors in the editorial columns. I want to set the record straight, so far as news columns are concerned, to the effect that 90 percent is neither "high" nor "rigid," and I shall spend some time in that discussion. It is just as accurate as the different media of communication—radio, television, the press, and periodicals—labeling off-shore oil as tidelands when we were talking about something miles behind the ebb and flow of the tide. Yet when we discussed the off-shore lands, the word "tidelands" was continually used, even though it was not a subject of debate.

Yet it is these devastating distortions which have helped rob the American farmer of justice at the hands of his own society. I have yet to read the newspaper that defines FHA housing loans as "high" and "rigid," simply because the Government guarantees the banker 90 percent of such loans. Now, if a 90-percent-crop loan by the Government to the farmer is "high" and "rigid," then why is not a 90 percent guaranteed mortgage loan to the bankers for the building of a home labeled "high" and "rigid"?

Then there is the oft-repeated assumption—another myth, by the way; and this one is really a lulu—that all of Secretary Benson's woes came from an "inherited mess"—and I use the phrase "inherited mess" with quotation marks at each end, for it is Mr. Benson's own special phrase—of surplus commodities, and that these surpluses are the cause of the present farm depression. It is about time some skeptical reporter asked the Secretary for facts, instead of talk. I intend providing such facts. I intend to disprove, by facts from our own Government's records, the repeated misleading assertions of both our Secretary of Agriculture, and regrettably, our President. Those facts are available to the White House and to the Department of Agriculture. In fact, those statistical tables and facts have been prepared by the Department of Agriculture, through its research and statistical divisions.

I suggest that the Secretary of Agriculture read those facts. I know that apparently he did not read the article published in Harper's magazine; and I can understand that the Secretary of Agriculture has been busy. He has been busy traveling all over the country, making political speeches. I merely suggest in a most friendly and chari-



table manner that he stop long enough to read the statistical tables and factual sheets of his own Agricultural Marketing Service, of his own research division. Then, after reading them, he can brief them for the President; he can put them on one sheet, and can go to the White House and present them to the President.

Apparently the President knew these facts when he ran for office in 1952, because in 1952 he was in favor of a farm program that I support. But since 1952, apparently the facts have not been reaching the White House. That may be due to the leadership of the Department of Agriculture.

Of course, there is also the myth that lower price supports curb production. This is a myth which has been widely developed. It has had the full emphasis and weight of the propaganda and public relations machine of the Republican administration—the myth that lower price-supports will curb production, and—and this is the opposite side of that coin—that 90 percent supports will simply stimulate more surpluses. We read that every day. Scarcely a day passes that that myth is not dinned into the ears and minds of the American people. I respectfully suggest that those who bring these matters to the attention of the American people, through the various media of communication, have not even seemed to bother quoting anyone as saying it; they simply assume it to be so.

ORDER FOR ADJOURNMENT UNTIL TOMORROW AND FOR RECOGNITION OF SENATOR HUMPHREY AFTER MORNING BUSINESS

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. PORTER in the chair). Does the Senator from Minnesota yield to the Senator from Texas?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I also ask unanimous consent that when the Senate meets tomorrow the Senator from Minnesota be recognized at the conclusion of morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Minnesota plans to speak for an additional 10 or 15 minutes at this time.

Mr. HUMPHREY. That is correct.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Minnesota will, at the end of that time, do me the favor of moving that, pursuant to the order which has been entered, the Senate stand in adjournment, I shall appreciate it.

Mr. HUMPHREY. I shall be glad to do so.

Let me ask whether I correctly understand that at the conclusion of the

session today, the Senate will stand in adjournment, rather than in recess.

Mr. JOHNSON of Texas. That is correct.

Mr. HUMPHREY. I thank the distinguished majority leader.

Mr. President, I was speaking of the myth that lower price supports curb production, and that 90 percent supports stimulate more surpluses. As I have said, that myth has been repeated again and again, and it has been assumed that that is so. I challenge anyone to prove it. I make this flat statement to the Members of this body: I will take on all comers who may disagree with what I have just said, and who may disagree with the argument I am making. I challenge anyone to prove the validity of the statement that lower price supports have curbed production, or that 90 percent of parity supports are responsible for creating our surpluses. Those who disagree with me can take either side of that coin. I shall be here on the floor of the Senate, prepared to argue and debate, and to document my case by facts, that that myth is exactly what it is termed—namely, a myth. I challenge anyone to disprove in the course of this debate the facts I shall present to burst the balloon of this huckstering fallacy.

Mr. President, I have waited a long time for this opportunity. I have been preparing for four years for it; and, as is said out my way, I am "loaded for bear"—wanting to go to the mat with any and all comers. These great issues relate to our agricultural policy; these myths affect our decisions on sound agricultural policy.

I want to end, once and for all time, the oft-repeated falsehood that the only program the Democratic Party offers for agriculture is 90 percent of parity, that all we want to do is to turn back to the past. You know, Mr. President, the fact that the press or our critics just say these things, does not make them so.

The record speaks for itself. Perhaps our critics do not bother looking at the record. For that reason, I intend to remind them, again and again, of what the vast majority of the Democratic Party have sought for agriculture, what we have done for agriculture, and what we propose doing for agriculture.

If they want to invite a test comparison as to which party has held an open and receptive mind to new ideas and new approaches, and which has had the imagination and foresight to come forward with such ideas, I shall welcome it. I assure you I shall not let the record of this debate close without providing, for the RECORD and those willing to read it, documentation of the Democratic Party's insistence upon a broad, over-all approach to improving conditions in agriculture, rather than full reliance upon price-supports alone.

Mr. President, there may be some who may say, "Apparently the Senator from Minnesota is going to treat this subject in a partisan manner." However, Mr. President, that is not my intention. The chairman of our Committee on Agriculture and Forestry admonished every member of the committee that we were to approach this problem on an economic

basis, on the basis of what we deemed best for American agriculture, and not in a partisan manner.

But, Mr. President, I would be remiss if I did not call to the attention of this body the fact that a considerable sum of money, running into the hundreds of thousands of dollars, is being expended for spot announcements on practically every radio station in the midwest, and on full-page advertisements in leading newspapers, and on half-page advertisements in country newspapers—a barrage of propaganda the like of which the American people have never witnessed or experienced on any other issue before the Congress. There is talk about lobbying in connection with the natural gas bill. Mr. President, I hope the oil and gas industry will not feel offended when I say they are pikers, they are really second-rate lobbyists, compared to the kind of lobbying that has been going on in recent days to get through what some persons call the Eisenhower farm program.

Of course, Mr. President, no Eisenhower farm program is before the Senate. I do not know what those who refer to such a program expect the Senate to vote on, because the program before the Senate is the proposal of the Senate Committee on Agriculture and Forestry.

Mr. President, I hold in my hand a nice little half-page advertisement from the Thorp Courier, of Thorp, Wisc. This advertisement is typical of much that is being published.

It says:

Help Eisenhower pass the new farm program.

Eisenhower does not even have a vote in the Senate. How can he pass a farm program? We have a separation of powers in this Government. We do not have kings and monarchs—at least, I hope not. The Senate and the House of Representatives will pass a farm program.

Next I read about the Eisenhower-Republican nine-point farm program. As we go down the list, we find that most of that program, including the soil bank, has already been offered by the Democrats, long before. I shall discuss that subject later.

Proposals to permit faster surplus disposal have heretofore been offered by Members of Congress, both Democratic and Republican.

Another point is to protect the family-type farms by limiting the size of price support loans. The junior Senator from Minnesota has been a sponsor of such a program for more than a year, long before the President got it in his message.

I think the record should be clear, that there is no Eisenhower farm program before the Senate. There is a program which was designed, after many weeks of hearings, by the Committee on Agriculture and Forestry, and brought forward by the Senator from Louisiana [Mr. ELLENDER]. If the Republicans wished to publish advertisements calling for the support of the Ellender farm program, or the program supported by the Democratically controlled Committee on Agriculture and Forestry, there would be some legitimacy to such advertisements.



It is others who have held closed and sterile minds on some of these agricultural questions. It is others who have refused to look at anything new. It is others who still refuse to even objectively consider or give a fair analysis to any new approach advanced by Democrats in our constant efforts to improve and extend the coverage of our already broad scope of farm legislation.

The facts are on our side. Yet the adjectives in the press still go to the opposition. This administration can suggest virtually nothing, and overnight it becomes a bold, new, sweeping, many-sided approach to aiding agriculture. Well, it will be interesting to hold the record up to the light of public exposure, as I intend to do in the course of this debate.

There are many more myths that need exploding, and many more that I will explode.

The smug generalities in the minority report on this bill is in itself an indictment of what I consider to be the huckstering tactics this administration has brought into our legislative processes—whereby facts are unnecessary, so long as something is said long enough and repeated often enough so that people believe it must be true. This propaganda line is as old as man himself. I have recounted some of these myths I intend to disprove during these opening remarks of this farm debate to serve advance notice upon the press and the administration alike. Nothing could be more fair than to give them time to muster their meager forces for a counterattack. Because the facts are on my side, I expect that counterattack will have to rely on new misrepresentation, new distortion, new hucksterism. When all the shouting is over, I shall invite the press to carefully compare the record—and sift for themselves the fact from the fantasy.

Mr. President, I am about to yield the floor. I had issued a press release with respect to some of the myths it was my intention to consider and discuss in this debate. I have outlined some of them.

Tomorrow I shall start on the topic "Where We Are Today in American Agriculture," with an economic analysis, so far as official records permit, of prevailing economic conditions in the American agricultural economy, including not only prices, but income, as well as production figures, and the relative position of the American farm family in the American economy.

I wanted my colleagues to know what is to be the subject of my discussion tomorrow. If anyone can show that the American farm family is getting along

wonderfully, I should like to receive the good news. If, between now and tomorrow, anyone can present documentary information to indicate that the administration is well on the way to bolstering the economy of our farm families through effective programs, I should like to receive that good news. I want to be happy. I am, in general, an optimist. I should like to feel that life is good. It is my feeling that after we finish with this farm debate and pass a good farm bill, life will be better.

#### ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. HUMPHREY. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, February 28, 1956, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate February 27, 1956:

##### DIPLOMATIC AND FOREIGN SERVICES

Fletcher Warren, of Texas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey.

##### UNITED STATES DISTRICT JUDGE

Paul C. Weick, of Ohio, to be United States district judge for the northern district of Ohio, vice Emerich B. Freed, deceased.

##### IN THE AIR FORCE

The following-named officers under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to positions of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

Maj. Gen. Earl Walter Barnes, 67A, Regular Air Force, in the rank of lieutenant general, United States Air Force.

Maj. Gen. Frederic Harrison Smith, Jr., 461A, Regular Air Force, in the rank of lieutenant general, United States Air Force.

The following-named person for reappointment to the active list of the Regular Air Force, in the grade indicated, from the temporary disability retired list, under the provisions of section 407, Public Law 351, 81st Congress (Career Compensation Act of 1949):

##### To be lieutenant colonel

William G. Miller, 2180A.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of

1947), and section 307 (b), Public Law 150, 82d Congress (Air Force Organization Act of 1951), with a view to designation for the performance of duties as indicated:

##### To be captains, USAF (Judge Advocate)

James M. Bumgarner, AO666237.

Richard S. Casale, AO414295.

Everett G. Hopson, AO1858565.

Milton E. Kosa, AO957882.

John H. Leonard, AO2071344.

James C. Moseley, Jr., AO673254.

##### To be first lieutenants, USAF (Judge Advocate)

Carl R. Abrams, AO2247279.

Michael J. Barrett, Jr., AO2253302.

William H. Carnahan, AO1861363.

Prichard E. Gray, AO830450.

James S. Hocker, AO1865346.

Robert T. Holt, AO704122.

J. T. King, AO1856712.

Henry R. Lockington, AO2082621.

James M. Nabers, AO1865070.

Benjamin H. Rosker, AO2205179.

William F. Rutherford, AO2245959.

##### To be first lieutenants, USAF (Chaplain)

George R. Connelly, AO2255047.

Paul S. Haney, AO2251346.

Donald J. Hass, AO2230540.

The following-named person for appointment in the Regular Air Force, in the grade indicated, with date of rank to be determined by the Secretary of the Air Force, under the provisions of section 101 (c), Public Law 36, 80th Congress (Army-Navy Nurses Act of 1947), as amended by section 5, Public Law 514, 81st Congress, and Public Law 37, 83d Congress; with a view to designation for the performance of duties as indicated under the provisions of section 307, Public Law 150, 82d Congress (Air Force Organization Act of 1951):

##### To be first lieutenant, USAF (Nurse)

Juanita Howle, AN2241846.

The officers named herein for appointment as Reserve commissioned officers in the United States Air Force for service as members of the Air National Guard of the United States under the provisions of the Armed Forces Reserve Act of 1952 and the Reserve Officer Personnel Act of 1954:

##### To be major general

Col. Francis William Billado, AO311562, Vermont Air National Guard.

##### To be brigadier generals

Col. Lawrence Haas Bell, Jr., AO423819, Arizona Air National Guard.

Col. Edsel Olin Clark, AO1699452, Ohio Air National Guard.

Col. Homer Reid Flynn, AO1797983, Georgia Air National Guard.

Lt. Col. Jack LaGrange, Jr., AO1551661, Nevada Air National Guard.

Col. John Patrick McFarland, AO256643, New Mexico Air National Guard.

Col. John Lawrence Strauss, AO326325, Missouri Air National Guard.

##### IN THE MARINE CORPS

Lt. Gen. Gerald C. Thomas, United States Marine Corps, to have the grade of lieutenant general on the retired list in the Marine Corps effective from the date of his retirement.











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 29, 1956  
For actions of February 28, 1956  
84th-2nd, No. 34

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HIGHLIGHTS: Senate continued debate on farm bill. House commenced debate on upper Colorado River storage project. Rep. Dague criticized the farm bill. Rep. Price introduced and discussed disaster flood insurance bill.

## SENATE

1. FARM PROGRAM. Continued debate on S. 3183, the farm bill (3015) Sen. O'Mahoney objected to a proposed unanimous-consent agreement of Sens. Johnson and Knowland to limit debate on the bill beginning next Monday or Wednesday. (pp. 3016, 3023) Sen. Goldwater inserted the statement of the Secretary before the Joint Committee on the Economic Report. p. 3020
2. LAND TRANSFER. Both Houses received a proposed bill from the Interior Department authorizing the Secretary of Agriculture to convey the Baranof Castle site in Sitka to Alaska; to Senate Agriculture and Forestry Committee and House Agriculture Committee. pp. 3000, 3089
3. ELECTRIFICATION. Sen. Neuberger discussed the cost of electric power in the Pacific Northwest. p. 3012

## HOUSE

4. RECLAMATION. Commenced debate on H. R. 3383, to authorize the construction, operation, and maintenance of the Colorado River storage project. pp. 3028, 3062



The Interior and Insular Affairs Committee reported with amendment H. R. 8535, to provide for certain conditions on loans made for the construction of irrigation systems (H. Rept. 1822). p. 3089

5. FLOOD CONTROL. Rep. Philbin urged prompt action on flood control measures for the New England States and inserted a newspaper article citing the imminent flood dangers. p. 3077
6. RECORDS. The Special Government Activities Subcommittee of the Government Operations Committee ordered reported to the full committee S. 2364, to provide for records disposition approval by the head of the agency concerned in relation to records which have been in existence for fifty years or more. p. D172
7. CONTROLS. Received petition from Associated Farmers, Richland County opposing social security and any form of governmental controls. pp. 3091, A1847

#### ITEMS IN APPENDIX

8. PERSONNEL. Extension of remarks of Sen. Wiley urging cooperation and support toward efforts being made for the employment of the physically handicapped and inserted an editorial and article on this subject. p. A1839
9. FAMILY FARM. Rep. LeCompte inserted a letter from Rev. Doggett, director of rural parish in Appanoose County, Ia., expressing concern for the economic welfare of the family-sized farm, and suggesting the development of a better plan for research, production, and distribution of farm products. p. A1840
10. SURPLUS COMMODITIES; RECLAMATION. Extension of remarks of Rep. Jackson stating that the proposed upper Colorado River project would provide additional lands for the raising of crops which are already in surplus supply, and inserting a table showing types of crops which would be grown, and whether or not they are supported crops. p. A1841
11. DROUGHT RELIEF. Extension of remarks of Sen. Johnson stating that the farm problem is "a confusing and vexing problem," and inserting a newspaper editorial "What's the Matter with the Drought Relief Feed Program?" p. A1842
12. CIVIL DEFENSE. Extension of remarks of Rep. Garnatz expressing his belief that effective civil-defense measures can be taken if the need for them is sufficiently understood by the public, and inserting a report on civil defense activities prepared by the director of the civil defense organization in Baltimore. p. A1842
13. STATEHOOD. Del. Bartlett inserted a newspaper article and an address given by W. A. Egan before the Alaska constitutional convention favoring statehood for Alaska. pp. A1850, A1852
14. FARM PROGRAM. Rep. Younger inserted a Farm Management magazine article, "How the Farmer Feels about Benson, Soil Bank, Prices and Politics--Poll Shows Majority Oppose Subsidy--Favor Benson, GOP, and Soil Bank Plan." p. A1855  
Extension of remarks of Rep. Dague stating that, with reference to the pending farm bill, "there is now under debate in the other body one of the most unsound, unrealistic, and wholly demagogic bills that has ever been presented to any Congress," and inserting a newspaper editorial, "Get Politics Out of Farm Support Bill." p. A1875



United States had no part, was submitted to committee I, despite fundamental considerations raised by the United States and other delegations against the resolution, there was no discussion of those considerations at the one and only session of the committee held to debate the document."

Among other things the resolution "declares that the acceptance of these principles does not imply and shall not have the effect of renouncing or weakening the position maintained by the various countries of America on the question of how far territorial waters should extend."

#### "TERRITORIAL WATERS"

"1. The distance of 3 miles as the limit of territorial waters is insufficient, and does not constitute a rule of general international law. Therefore, the enlargement of the zone of the sea traditionally called 'territorial waters' is justifiable."

"2. Each State is competent to establish its territorial waters within reasonable limits, taking into account geographical, geological, and biological factors, as well as the economic needs of its population, and its security and defense."

It aids in the understanding of what is meant by the world "reasonable" in the above paragraph to know that 3 of the countries whose delegates sponsored this resolution have proclaimed sovereignty to a band of ocean extending to a minimum distance of 200 marine miles off their coasts, and a fourth has proclaimed sovereignty over an area of high seas adjacent to its shores which is in some places nearly 500 miles wide.

I need hardly review for the Members the vital nature of the doctrine of the freedom of the sea and its companion doctrine of a narrow territorial sea to the life of these United States and of western civilization. The free flow of commerce by air and by sea between nations is a necessity of modern life. The unimpeded use of the highways of the air and sea for quick and certain military communication is an absolute necessity in these troubled times if the free world is to be successfully defended.

To keep the seas open for the unimpeded use of our citizens and our Armed Forces was one of the reasons that the colonies engaged in the French and Indian Wars; it formed one of the basic causes for the Revolutionary War; it was for this reason that we engaged in the war with the Barbary pirates; the War of 1812 was fought chiefly on this point; it was to protect this right that we entered the First World War; it was by establishing command over the air and sea that we and our allies were able to bring to a successful conclusion the Second World War and particularly the war in the Pacific. Today we are appropriating tens of billions of dollars to our defense establishments to enable us and our allies to keep the sea and air free for our use.

Why have we adopted such a policy and pursued it so unswervingly through our history?

Why have the other maritime countries done the same? The reasons are quite simple.

The growing human population of the world has required the efficient use of the world's resources to keep it alive. Centers of population grow in industrialized areas which are too dense to even be fed on local resources. The product of their manufactures must be able to flow to markets all over the world. Centers of food production arise where more food can be grown than can be eaten by the local population. The excess of the harvest must be able to flow to market in centers of industry all over the world. The complicated economic web of exchange of goods between areas of specialized ability to produce is the very basis upon

which our civilization has been able to grow. In this postwar period the United States alone has expended billions upon billions of dollars to bolster the economies of its friends and allies. To the extent that impediments are placed in the way of the free flow of goods by air and sea between centers of varied production in the free world, the ability of the free world to prosper, to thrive, to keep strong and vital, and to be able to defend itself by economic means shrinks.

In the proclamations adverted to above by which several nations have sought to establish their sovereignty over broad stretches of the high seas and the air spaces above this vital point has been noted and an attempt has been made to meet it by an accompanying declaration that would grant permission to vessels and aircraft of foreign nationality to pass through such purported areas of sovereignty. This does not, and cannot, meet the point.

The nationals of the world now use these seaplanes and airplanes of the world under rights that pertain to them under international law as free and independent sovereigns. They need no permissive grant from another sovereign for that use. Any permission that one sovereign is able to grant to another to pass through its territory it is also able to withdraw or to modify at a later date. In time of peace it could control traffic through its territory or charge fees for it; in time of war it could proclaim neutrality and exclude such traffic.

Accordingly the United States and the other maritime nations of the world have maintained the doctrine of the freedom of the seas and the air spaces above and have adhered to the doctrine of a narrow territorial sea. This has been done no more for their benefit than for the benefit of smaller, less developed nations. To the extent that a small, underdeveloped country is impeded in getting its produce to market the economic and social development of that country is slowed down. To the extent that a small and militarily weak country is separated by unnecessary and new barriers from its defenders the freedom and independence of that country is placed in jeopardy.

We realize that the use of common places and common resources by different entities brings problems whether it is individuals using the same driveway to their homes or whether it is sovereign nations using common seaplanes and airplanes. It is to be expected that that greatest common of all, the high seas which cover nearly three quarters of the globe and are used by nearly every nation, will generate great problems.

The United Nations is at the present time intensively studying this whole subject. Last year the United Nations called together a special International Technical Conference on the Conservation of the Living Resources of the Sea in which 50 nations of the world participated. Acting upon the report adopted by that meeting and the results of other multilateral conferences on other branches of this complex subject, the International Law Commission devoted nearly the whole of its 1955 sessions to working out recommendations on the twin subjects of Regime of the High Seas, and Regime of the Territorial Sea. Its recommendations have been submitted for study and comment to all of the members of the United Nations. The International Law Commission will once more devote nearly its whole session this year to revising its recommendations on these subjects in the light of comments it has received during the year from the member nations. Its finalized report will be submitted to the General Assembly this fall, and the subject is already on the General Assembly's calendar for consideration this year. There it will go to committee for study, discussion, and possible alteration before it finally comes to the floor of General Assembly for debate.

Mr. President, these are the normal ways by which independent and free peoples work out problems of relations among themselves and mutually reach conclusions that are mutually agreeable and practical in operation.

This is not, however, the way the Inter-American Council of Jurists has acted on this subject which is of the greatest importance to the United States and to the world. The Council, under the charter of the Organization of American States, is supposed to work as a serious, technical body. Yet it adopted a resolution advancing far-reaching legal pronouncements on vital social, economic, scientific and defense interests of nations, upon which as legally trained persons the delegates were not even qualified to speak, with virtually no analysis, no study and no discussion.

The United States and other delegations raised basic questions regarding the contents of the resolution, but its proponents chose not to reply to those points or otherwise justify their proposals.

The resolution was drafted to support the thesis of a few Latin American countries which have evidenced a desire to claim large areas of the high seas as part of their sovereign territory. Such claims are without precedent in international law since the 17th century.

The United States has repeatedly protested these claims and actions under them as clearly outside the bounds of international law. These countries have rejected our offer to take the issues to the International Court of Justice and are now trying to impose upon the United States new rules of law which will back up their extravagant claims of 200 miles or more.

There was not even any suggestion in the resolution that the rights of other nations under long-established principles of the freedom of the seas must be respected. The application of this idea would result in chaos in such areas as the Caribbean, the Gulf of Mexico, the Gulf of Panama, the Mediterranean, the North Sea, the seas off southeast Asia, and other areas of the world where projections of territorial boundaries might overlap.

Mr. President, we are profoundly disturbed not only by the substance of this resolution but by the log-rolling tactics which were used to put it across. It disturbs our very faith in the long-established precedents of relations among the Republics of this hemisphere. We must only hope that the parent organization of the Organization of American States will take such actions as are required to correct the behavior of its technical agency in order that faith in the OAS itself will not be further shaken.

#### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, February 28, 1956, he presented to the President of the United States the enrolled bill (S. 97) for the relief of Barbara D. Colthurst, Pedro P. Dagamac, and Edith Kahler.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. JOHNSON of Texas. Mr. President, if there are no further statements Senators may wish to make at this time, I desire to propose a unanimous-consent agreement. But before I do so, I suggest



the absence of a quorum, so that all Senators may be on notice.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, we are now working toward a solution of what we have come to call the farm problem. The administration, understandably, does not exactly put it that way. The President instead says that our farmers are not now sharing in the general prosperity.

Some of my Texas farm friends put it more directly: They say they have been "Bensonized."

Whatever it is called, Mr. President, it is there and it is unmistakable. Since January 1953, farm prices have fallen from 94 percent of parity to 82 percent of parity. Prices received for crops and livestock have dropped 14 percent. Net income of farmers has fallen from \$14 billion in 1952 to \$10.3 billion in 1955.

The Secretary of Agriculture has reacted characteristically to these facts. At first it was denied that there was such a thing as a farm problem. It was said those who talk of a farm depression are misinformed. Then, after acknowledgment that such a situation exists, the trouble was said to have been inherited from the previous administration. Then it was blamed on surplus, on incentives, on labor unions, and then, incredibly, on the farmers themselves.

It was suggested that perhaps there are just too many small farmers, that many of them are simply not operating efficiently. This, then, was the theory of natural selection—a sort of survival of the fittest code.

Mr. President, there are plenty of "fit" farmers and ranchers in Texas, and many of them are just barely surviving. A friend of mine writes from south Texas that 80 percent of the ranch people are not making operating expenses—that all hog raisers lost money in 1955.

My friend in south Texas sends along these lines which are currently going the rounds of the country stores and gatepost sessions. They say of the Benson farm program:

A fake and a phoney,  
A failure and a fuss,  
A fraud on the farmer,  
And flexes only one way.

And that one way, Mr. President, is down.

Mr. President, we have before us a farm bill, which has been discussed for several days. Many Members of the Senate are anxious to vote on the bill. Some are ready to vote today, while others are not ready to vote this week.

I had hoped that we would be able to enter into a unanimous-consent agreement to vote on next Monday. I have been informed that consent will not be given to vote on Monday or on Tuesday. However, I believe the record should show that on behalf of myself and the

minority leader I am submitting a proposed unanimous-consent agreement that effective on Monday, March 5, the limitations on debate shall start to run. Therefore, on behalf of myself and the minority leader I submit a proposed unanimous-consent agreement, and I ask that the clerk be instructed to read it.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The Chief Clerk read the proposed unanimous-consent agreement, as follows:

*Ordered*, That, effective on Monday, March 5, 1956, at the conclusion of routine morning business, during the further consideration of the bill (S. 3183) to provide an improved farm program, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That when no further amendment is to be proposed, the amendments adopted shall be deemed to be engrossed and the bill read the third time; that a motion shall then be in order that the Senate proceed to the consideration of House bill 12, an act to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk, and for other purposes, to which motion the same limitation of debate shall apply as in the case of any other motion or amendment; that in the event the motion to take up the House bill is agreed to, it shall then be deemed to be amended by striking out all after the enacting clause and in lieu thereof inserting the provisions of Senate bill 3183 as amended; that the amendment shall be deemed to be engrossed and the House bill as amended read the third time.

*Ordered further*, That in the event the motion to proceed to the consideration of the House bill is not agreed to, the Senate shall proceed to the consideration of the question of the final passage of the Senate bill; otherwise it shall proceed to the consideration of the question of the final passage of the House bill, debate on either of which shall be limited to 4 hours, to be equally divided and controlled by the majority and minority leaders, respectively: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the Senate or the House bill, as the case may be, allot additional time to any Senator or Senators during the consideration of any amendment, motion, or appeal with respect to the Senate bill.

*Ordered further*, That in the event of the passage of the House bill as amended, Senate bill 3183 shall be deemed to be postponed indefinitely.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. MORSE. Mr. President, I do not think anything in the way of legislation is more important than is the farm bill. I have consulted with a group of Senators in regard to the debate to take place on this issue, and I know it is physically impossible to complete the debate by next Monday and agree to any such unani-

mous-consent request as the one proposed.

For example, I am satisfied that the discussion of one topic in connection with the bill, namely, the problems of the wheat farmer, will take probably all of 2 days, because there happens to be a group of us who intend to make a very detailed record in regard to the plight of the wheat farmers. We feel very strongly that if a two-price plan is sound for some commodities it is particularly sound for wheat. We believe it offers the wheat farmers the best hope, if not the only hope, of remaining economically solvent in the period immediately ahead. I think, important as it is, we should have as early a vote as a complete record will permit, but agreeing on next Monday as the day for voting is out of the question.

Furthermore, Mr. President, I think the great tragedy which has struck the membership of the Senate today, and because of which we all grieve, makes it necessary for us to rearrange our schedule somewhat. Therefore, I reluctantly feel it necessary to object to the suggested early date for a vote. I would accept a unanimous-consent agreement to vote on next Wednesday.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. Mr. President, I am willing to strike out Monday and insert Wednesday, March 7.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified?

Mr. KERR. Mr. President, reserving the right to object, I have a parliamentary inquiry to propound.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Yesterday I submitted an amendment which is designed to prevent any increase in the price of power by any governmental agency over the prices now in effect, for a period of 18 months subsequent to the enactment of the bill. What I should like to ask is whether there is any provision in the unanimous-consent agreement that would prevent my amendment being in order with reference to the bill.

The PRESIDING OFFICER. The Chair would ask the opinion of the majority leader.

Mr. JOHNSON of Texas. Mr. President, as I understand, the Senator's amendment deals with REA projects; does it not?

Mr. KERR. It deals with the price of electric power to the REA cooperatives.

Mr. JOHNSON of Texas. I am not sufficiently informed on all the details to know whether the amendment of the Senator from Oklahoma would be germane. Would the distinguished chairman of the Committee on Agriculture and Forestry care to express an opinion as to whether it would be germane to the pending bill?

Mr. ELLENDER. I doubt that it would be.

Mr. JOHNSON of Texas. So far as the majority leader is concerned, and, I hope, the minority leader, I should be willing to modify the agreement to except



specifically this one amendment of the Senator from Oklahoma.

Mr. KERR. I would greatly appreciate that, and on that basis I would have no objection to the unanimous-consent request.

Mr. KNOWLAND. Mr. President, I would raise a question on that point. I do not believe the Senator's amendment of the Senator from Oklahoma would be germane. I respectfully suggest to him that during the consideration of the important legislative proposal now before the Senate there is no desire to prevent any amendment dealing with the subject matter, but the provision in the unanimous-consent request relative to germaneness is inserted for the purpose of preventing a wide-open field day after the agreement has been entered into.

I wonder, in view of those circumstances, if the Senator would not feel that it would be better not to have obviously nongermane amendments excepted.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. The best way to ascertain whether it is a germane amendment is, first, to get the advice of the Parliamentarian, because I should like to discuss the other side of the question. We are dealing with economic problems of American farmers, and vital to their problems is not only the cost of electricity, but the assurance that REA's are going to be able to expand and grow because of having reasonably cheap power. I take the position that when we are dealing with a farm bill which has to do with economic problems of the farmers, the Kerr amendment is germane, because what happens to the REA's will influence greatly the economic standards of our farmers.

Before we proceed on the assumption that the amendment is nongermane, Mr. President, I should like to know what the Parliamentarian thinks about it, because I respectfully submit that an amendment which deals with electric rates which the REA's will have to pay for power is germane to a farm bill.

The PRESIDING OFFICER. The Chair rules that the exception would be proper as suggested. However, the Chair holds that the amendment offered by the Senator from Oklahoma is not germane.

Mr. KERR. I respectfully ask the sponsors of the proposed unanimous-consent agreement to exempt my amendment from exclusion. I do not seek to ask them to accept the amendment. I simply do not wish to offer an amendment on one day, and then, under the terms of the unanimous-consent agreement entered on the next day, to have consideration of the amendment excluded.

Mr. ELLENDER. Mr. President, may I ask the Senator from Oklahoma the purpose of the amendment?

Mr. KERR. The sole purpose of the amendment is to prevent for a period of 18 months any increase by any governmental agency in existing rates or charges which are made for power sold or delivered to rural-electric cooperatives.

Mr. ELLENDER. Why could not this matter be handled in the regular way?

This is a subject which normally would be considered by the Committee on Agriculture and Forestry. That committee has not heard any evidence on the question. If the Senator from Oklahoma will introduce a bill designed to correct whatever evil he thinks exists, I will, as chairman of the committee give him assurance that I shall proceed to hold hearings as soon as possible.

Mr. KERR. I know the Senator from Louisiana would do that. The situation developed in this manner. The Department of the Interior advised rural electric cooperatives that the Department was about to file a request with the Federal Power Commission for the confirmation of an increase of about 40 percent in the rates charged to rural electric cooperatives in the Southwest area. Joint hearings on the subject are now in progress before a subcommittee of the Senate Committee on Public Works and the Senate Committee on Interior and Insular Affairs, and of the two similar committees of the House.

It is entirely possible that after the hearings the Department of the Interior eventually will agree to permit Congress to have enough time in which to study the matter adequately and to have the opportunity to take action which would forestall the increase. But as to the amendment, the Department has agreed only to a postponement of about 6 weeks from this date.

All the amendment would do would be to set a date and provide that while the hearings were being held and the proposed legislation was being considered by the committee headed by the Senator from Louisiana, the increase in rates would not be put into effect.

Mr. ELLENDER. Would it not be possible for a bill embodying the proposal of the Senator from Oklahoma to be considered and passed within 6 weeks' time?

Mr. KERR. I have grave doubt that such action could be obtained in 6 weeks' time.

Mr. ELLENDER. I can give assurance that it should be possible for the Agriculture Committee to report a bill within the next 2 weeks, and I feel confident the House committee could do likewise.

Mr. KERR. Would the Senator from Louisiana object to the consideration of my amendment?

Mr. ELLENDER. It is not a question of objecting; the amendment is not germane to the issues covered by the pending bill. I fear the amendment offered by the Senator from Oklahoma might complicate matters on the final passage of the bill; the farm problem is urgent and our farmers need immediate relief.

The Agriculture Committee does not have much information about what the Senator from Oklahoma seeks to do. The committee does not know all the issues involved. The committee has not had any hearings on the Senator's proposal. I feel it would be best to let the Senate consider the matter in the form of separate legislation on which hearings had been held.

Mr. KERR. Mr. President, do I understand the Chair has ruled that the amendment is not germane?

The PRESIDING OFFICER. The Senator is correct.

Mr. KERR. Then, upon the assurance of the chairman of the Committee on Agriculture and Forestry that if the matter shall be introduced as a bill, its consideration will be expedited in his committee, I withdraw the amendment.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement as modified?

Mr. MAGNUSON. Mr. President, there are several Senators who are vitally interested, not only in the passage of the bill as such, but especially in a section of the bill, namely, section 307, which deals with maritime matters and would effect the virtual repeal of a maritime law which requires, on government-financed cargoes, that at least 50 percent of the cargoes shall be shipped in American bottoms.

This section, as I understand, was placed in the bill without hearings having been held on it. It is a maritime matter. The section would exempt from the application of Public Law 664, 83d Congress, 2d session, shipments of agricultural products financed by the taxpayers and thus would vitally affect the American merchant marine. It may have some importance in the bill, but is of minor importance to agriculture compared to the importance it bears to the entire American merchant marine.

Much has been said about germaneness. This is a subject which affects the entire American merchant marine. Hearings should be held upon it. It is true that a similar provision was included on the floor in foreign aid bills on several occasions, but hearings had been held on the 50-50 provision when it was made permanent. I have appeared before the Committee on Foreign Relations on many occasions in connection with this matter.

I do not think the provision belongs in the farm bill. It is a matter which is very important to the American merchant marine and to those of us who have a deep interest in the maintenance of the American flag on the seas. We are having enough trouble keeping our flag on the seas now.

Many Senators will want to talk at some length on this subject. I know I would. I would not want to be limited by such a restriction as the proposed unanimous-consent agreement sets forth. I had hoped we might come to some agreement on the matter, because I too am interested in the agricultural bill; but an amendment which I would propose would permit the question involved in section 307 to be considered by the Committee on Interstate and Foreign Commerce, which rightfully should consider it. That committee would hold hearings and let all who are interested appear before the committee, so that opportunity would be afforded again to determine and reevaluate the importance of the matter to the American merchant marine and also to ascertain whether it affects the agricultural problem at all.

I assure the Senate—and I have discussed the matter with other members of the committee—that hearings would be held very promptly. A bill dealing



especially with maritime problems could then be reported to the Senate. Some modifications of the present law might be needed.

I am very familiar with the subject. Approximately 80 percent of American exports today are carried in ships flying foreign flags. We are dealing here with less than 20 percent of our cargoes, only that portion of them, which are Government-financed.

This is the least we can do for our merchant marine. Two nations in Europe in particular are maritime countries. That is fine. I do not blame them for seeking our commerce, but they have been using the 50-50 law as a lever to promote their own interests.

This cargo preference provision is not mandatory; it is flexible. No one has said it should be enforced on a ship-by-ship or month-by-month basis. We have merely said that every opportunity should be afforded to achieve the 50-50 balance; otherwise the American flag will disappear from the seas. Today we are doing relatively little to keep our merchant marine alive. It is necessary for the Government to subsidize it. The more cargo that is taken away, the more it will be necessary for the Government to subsidize to keep our merchant marine from disaster.

During World War II, the American merchant marine hauled overseas 95.6 percent of all military cargoes. The merchant marine is actually our fourth arm of defense. It is just as important as any other service. But to include section 307 in the bill would be to cripple our merchant marine while we were engaged in an honest effort to solve our agricultural problem. I think the hearings will show that this provision will not help the agricultural problem. But all we seek is an opportunity to consider the question again. Perhaps it would be desirable to modify the provision to some extent.

In my State, the British saw fit to apply the law to reefer ships and to perishable commodities. Some fruit is exported from our State. The American merchant marine does not have reefer ships which call at Pacific coast ports. The law should not have applied at all. Perhaps it should be amended to take care of perishables, or to provide that in the case of strategic materials from all over the world inbound cargoes shall be hauled, in some fixed proportion, in American bottoms. But those are questions which should be explored by those who have experience in merchant-marine matters. Of course, we are interested in agricultural problems, but no hearings were held on this phase of the bill. The provision was inserted in the bill toward the end of its consideration, when the bill was being marked up. I think it is a subject which should be examined.

I am sure many Senators—I personally know of 15 or 20 Senators—would want to know something about what would happen if section 307 should be kept in the bill.

So, unless we can agree on this matter in some respect, I am sure I shall have to object to the unanimous-consent agreement.

The PRESIDING OFFICER. Objection is heard.

Mr. MAGNUSON. I have not conferred with other Senators as to how much time they may want, but after I do, perhaps the proposed unanimous-consent agreement can be modified. We think section 307 is a very, very important provision.

Mr. JOHNSON of Texas. Mr. President, I remind my distinguished and beloved friend from Washington that it is proposed to provide 4 hours' debate on the bill. All of those 4 hours could be yielded. Usually, as the Senator knows, time is yielded back. All of the time could be yielded on any amendment at any time.

So far as the majority leader is concerned, I would be glad to bear in mind the Senator's need for extra time, and to agree here and now to yield him a portion of the 2 hours the majority leader would control under the unanimous-consent agreement, for use on an amendment. In addition to that, I know the Senator is very reasonable and fair, and I know he has not had time to confer with respect to the bill.

Mr. MAGNUSON. We did not know this provision was in the bill until the last minute, or we would have appeared before the committee.

Mr. JOHNSON of Texas. I am not blaming the Senator from Washington. The Senator from Texas is perfectly willing, if it is agreeable to the Senator from Washington, to provide 3 hours on this particular amendment—if our colleague, the Senator from California, would go along with the suggestion—in addition to yielding a portion of the 4 hours on the bill.

Mr. MAGNUSON. If this provision is kept in the bill, I shall speak at some length on the subject. I shall review the history of the merchant marine, because the provision would be a great blow to the American merchant marine. I should like to help in dealing with the agricultural problem, but I think we can do it in a different way. All that is necessary is to agree to let the matter be considered. We would bring back a bill on the subject after hearings. Perhaps there is a need to modify the law.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes. I yield the floor.

Mr. ANDERSON. I desired to ask the Senator from Washington if he remembered that some time last July, the 1st or 2d day following the illness of the able majority leader, a bill affecting the merchant marine was before the Senate. I wanted to offer an amendment to strike out the cargo preference provision. Everyone was advising me not to offer such an amendment from the floor. Although considerable embarrassment was caused to those who felt the amendment should be presented, it was not offered because it was felt agriculture ought to have a chance. Nothing happened. The Senator from South Dakota [Mr. CASE] joined in a bill which would do what was contemplated by the amendment.

Mr. MAGNUSON. If section 307 is deleted from the bill, the Committee on

Interstate and Foreign Commerce can take up the subject and hold hearings on that bill.

Mr. ANDERSON. Nothing was said until the provision went into the agricultural bill, and it went into the bill by unanimous agreement of the Committee on Agriculture and Forestry. There is a limit as to how far we can go to help the American merchant marine. I think it is right to help it. I have voted to help it time after time, but when it gets to the point where assisting it cripples the agricultural program, that is going too far.

As I recall, restriction contained in the Agricultural Trade Development and Assistance Act went into the act by a floor amendment. The Senator from Washington proposed a floor amendment without any hearings being held. We propose the same thing, in return. What is wrong with that? The Lord giveth and the Lord taketh away. Blessed be the name of the Lord.

Mr. MAGNUSON. Two wrongs do not make a right.

Mr. ANDERSON. I do not think it is wrong. We did not get a chance to protest an amendment that was proposed from the floor.

Mr. MAGNUSON. It is true that in the first aid measure amendments were proposed from the floor, because of the plight of the American merchant marine. I had appeared before the committee. Senator Tom Connally said, "We will let you offer the amendment on the floor and we will accept it." Amendments were usually accepted by him when he was chairman of the committee, when the early bills on the subject were considered. Amendments were added to the foreign aid bill in that manner. The Senator from Maryland [Mr. BUTLER] later introduced a bill to make the law permanent. We had long hearings. The proposal was approved unanimously by our committee, and the law was made permanent.

Section 307 of the pending bill would virtually repeal the permanent law. It does not repeal the riders put into the law by amendments from the floor.

Mr. ANDERSON. I wish the Senator would look at the provision. I do not think it repeals the permanent law.

Mr. MAGNUSON. No.

Mr. ANDERSON. It repeals it as to certain agricultural commodities, and they are very limited.

Mr. MAGNUSON. Yes. However, it is directed to the permanent law, which was enacted after hearings. We think that if a permanent law is to be modified or changed, after long hearings had preceded its enactment, we ought to have a chance to have hearings to look into the question.

Mr. ANDERSON. I was going to suggest to the Senator from Washington that if he could see his way clear to accept the proposal presented by the Senator from Texas, it could be that there would not be as much opposition as the Senator might think to striking out the section and holding hearings. But I do not believe a unanimous-consent agreement should be held up on that basis alone. I think we should go along and trust our majority and minority leaders.



Mr. MAGNUSON. I desire to make my position clear. I am just as much interested in agriculture as is any other Senator, but many Senators are also interested in the American merchant marine. I do not want to hold up anything. I ask the simple justice of having hearings on so important a matter.

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. KNOWLAND. I agree with the Senator's point of view that this particular section should not be in the bill without hearings having been held, but I hope the Senator will not object to the unanimous-consent agreement as proposed. As the Senator knows, if he felt himself pressed for time and found he could not complete his remarks, he would have an opportunity, under the unanimous-consent agreement, to offer an additional amendment to take care of any time he needed. I do not think the matter will require as much discussion as perhaps the Senator is fearful it will take.

If the Senator would be happier to have 3 hours instead of 2 hours provided on this particular amendment, perhaps that could be done, although I should dislike to see us begin to modify the proposed agreement by excepting various amendments. We are in a position where obviously the Senator is entirely within his rights in making his objection.

I believe the Senator, who has excellent knowledge of the subject, could present his facts and be more successful in making friends for his proposal within a 2-hour period, with such time adjustments as could be made, than he could as a result of a prolonged discussion. I say that as one who happens to believe this particular section should not go in the bill without adequate hearings being held before the proper committee.

Mr. MAGNUSON. I am not alone in the view I take. I speak for myself and other Senators who are not now present on the floor, but who happen to think this is a vital matter. I refer to the Senator from Massachusetts, the Senator from Maryland, the Senator from Florida, the Senator from California, and other Senators.

Mr. KNOWLAND. The fact of the matter is that on numerous occasions the 50 percent proposal has gone into the law by a very substantial majority.

Mr. MAGNUSON. I do not know how long other Senators interested in the matter would wish to speak. So far as I am concerned, I think I could present my statement in a couple of hours, because when the Senate is informed, I believe it will see what a serious effect section 307 would have on the American merchant marine. It may be the hearings will show that this section will help agriculture. But when we weigh the two in the balance, I do not think any fair-minded person would favor such treatment of our merchant marine.

Mr. KNOWLAND. Mr. President, if the Senator from Washington will yield to me, I may also point out that the proposed limitation of debate will not begin to run until next Wednesday.

Mr. ELLENDER. That was the point.

Mr. KNOWLAND. Therefore, the able Senator from Washington and other Senators to whom he has referred will have ample time between tomorrow and next Wednesday to make adequately plain the great dangers, as he and other Senators may see them, in connection with having a provision of this kind in the bill.

Mr. O'MAHONEY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield the floor.

Mr. O'MAHONEY. Mr. President, I wish to add a statement of fact which I think possibly may change the situation. For myself, I feel that we should not now enter into an agreement to limit debate. This morning—and at the first opportunity, I may say—the Secretary of Agriculture appeared before the Joint Committee on the Economic Report. He was accompanied by members of his staff. He testified in a very interesting and informative manner in respect to the problems of agriculture.

During the discussion there, I addressed several questions to the Secretary of Agriculture; and I asked him to prepare some amendments to this bill. One of the questions I addressed to him was based upon the fact that President Eisenhower, in his message on agriculture to the United States Congress, had specifically asked for repeal of the provision of Public Law 480 of the 83d Congress which confines the sale of surplus commodities to friendly countries.

Senators who may have had the opportunity of listening to Secretary Dulles when he participated in the Philadelphia Bulletin program of last Sunday afternoon, and who may since have had an opportunity to read his speech, may recall that he said that in Russia, behind the Iron Curtain, Mr. Khrushchev had told the Soviet gathering of the other day that in Russia there is a shortage of foodstuffs and, I think, of fiber. The Secretary quoted at great length the language used by Mr. Khrushchev in referring to the shortage of food supplies in Russia. If the Secretary of State finds that to be a fact, and if the President of the United States found it wise to insert in his message to Congress a request for repeal of this section, which confines such trade to friendly countries, I think that is a matter which should be laid before the Senate of the United States.

Therefore, I requested Secretary Benson to have prepared an amendment which would prevent abuse of the sale of our surplus food commodities in Russia, although at the moment it is difficult for me to think of a method by which such sales could be made a matter of abuse. The President sent to the Senate a message regarding ways of building peace with atomic energy. I think there is no reason why the Senate should not now undertake to study any amendment which the Secretary of Agriculture might send here at my request.

Mr. AIKEN. Let me add that the amendment was included in Senate bill 2949 when it was introduced approximately 6 weeks ago.

Mr. O'MAHONEY. That is correct; the Secretary of Agriculture so stated.

Mr. AIKEN. It was a very short amendment, and was included in that bill. However, it was stricken out in the committee.

Mr. O'MAHONEY. I understand.

Mr. KNOWLAND. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. I think that in its consideration of this matter, the Senate must remember that 18 years ago, when Adolph Hitler was preparing Germany for its aggressive operations, he laid down the doctrine that the German people had to choose between guns and butter; and he stressed the importance, for their purpose, of obtaining guns.

If the same doctrine is followed by the Soviet Union I think we must be careful to make sure that we are not furnishing the Russians with the butter while they are making the guns—that is to say, various types of armaments—for such a course would enable them to concentrate their efforts on preparations to destroy the free world, while we were busy supplying them and other countries with foodstuffs.

Mr. O'MAHONEY. I completely agree. Nevertheless, I think we should look into the matter, particularly since the amendment—which in my judgment should be offered—should contain a provision to make certain that there would not be a substitution of guns for butter, but, instead, that there would be a substitution of butter for guns.

But I must point out that it was revealed by the chairman of the Committee on Government Operations [Mr. McCLELLAN], in a speech which he made last week, that some of our allies are now shipping copper wire and other strategic materials to the Soviet Union, and are refusing to tell the United States what they are doing, basing their refusal on the ground that such disclosure would be against public interest, although the facts in regard to such shipments of strategic metals by Britain and perhaps other nations have been freely published in the trade papers of England, and thus we obtain our information circuitously, while the State Department, in a letter written by the Deputy Secretary of State, Mr. Herbert Hoover, Jr., has refused to supply the Senate committee with the information.

Mr. KNOWLAND. Mr. President, will the Senator from Wyoming yield further to me?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. Mr. President, I may be mistaken, but my understanding is, not that the State Department refused to furnish certain information to the committee, but that the matter at issue related to the working papers. I think there has been testimony as to the amount of copper wire so shipped. I can say to the Senator from Wyoming that it has not made sense to me to have copper wire, which could readily be changed into shell casings, going into the Soviet Union in the quantities in which it apparently has been going there, when our Government itself does not permit such shipments of copper to be made.

Mr. O'MAHONEY. My point now is simply that the question is of such momentous importance that we should look



into it. The President recommended such a provision, and it was included in the bill the Department of Agriculture suggested. It has been stricken from the bill by the committee. So far as I know, there have been no minority views on the part of any member of the committee in regard to the provision; in other words, I know of no objection to it. But now that the Secretary of State has said publicly, by referring to the quotation from Mr. Khrushchev, that behind the Iron Curtain there is a shortage of food, let us find out about it, and see whether there is a practicable method of using for peaceful purposes the bread and the beef and the butter which we can produce in such abundant quantities.

Mr. KNOWLAND. If such commerce can be kept on a peaceful basis.

Mr. O'MAHONEY. Oh, yes; of course.

Mr. KNOWLAND. And that the Russians are not going to use in heavy industries, for the making of guided missiles, guns, planes, tanks, and other armaments to be used to destroy the free world, the workers who, except for such shipments of food to Russia, would have to be used in the production of such food.

Mr. O'MAHONEY. Of course, I completely agree.

The other question I asked the Secretary of Agriculture was this: Inasmuch as the President has expressed sympathy toward the family-sized farm, would the Secretary consider an amendment to the bill which would provide that the full 90-percent supports would be extended to the production from family-sized farms, farms operated by families, and that the flexible supports should be confined solely to corporate farms and farms of a thousand acres or more?

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. THYE. I offered such an amendment to the Senate Committee on Agriculture, graduating the supports from the small family type farm to the larger farms, providing that in the case of a commodity loan application involving not to exceed \$1,000, 100 percent supports would be granted; and that in the case of the large operators, making applications for commodity loans of several thousand dollars, supports possibly not in excess of 70 percent of parity would be applied. In that manner we would make certain that the Treasury would not underwrite the operations of someone who found it desirable to employ his invested dollar in the production of agricultural commodities in competition with what are normally regarded as the small, family type farm.

If such an amendment were studied and considered, we might well preserve and protect the family type farm, and not make the Treasury the underwriter for the man who wishes to use his dollars in the development and production of an agricultural commodity of which we have a surplus, in direct competition with the small family type farm, operated by a family who are making farming an existence, a way of life. I think it is a good amendment.

Mr. O'MAHONEY. I was aware that the Senator had such an amendment.

Mr. President, it seems to me to be unwise to limit debate at this moment, while the Secretary of Agriculture, who said he would do certain things, is working upon the proposed amendments. I expect to receive some suggestions from the Department of Agriculture. I do not like to see debate shut off.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AIKEN. The Senator realizes the reason why agricultural legislation should be enacted at the earliest possible moment; does he not?

Mr. O'MAHONEY. I do.

Mr. AIKEN. In order that farm people may begin to receive the increased benefits which would be derived from it.

Mr. O'MAHONEY. I think that is very important.

Mr. AIKEN. If we delay, such benefits may be lost.

Mr. O'MAHONEY. As I understand the request, it is that the limitation on debate begin next Wednesday.

Mr. AIKEN. That is correct.

Mr. O'MAHONEY. All I am saying is that I do not wish to enter into such an agreement today. I wish to see the amendments from the Department of Agriculture before I agree to limit debate.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ELLENDER. When does the Senator expect to receive those amendments?

Mr. O'MAHONEY. I expect to receive them as soon as they can be prepared. I assure the Senator from Louisiana, who is chairman of the Committee on Agriculture and Forestry, that I will telephone the Secretary's office again this afternoon.

Mr. ELLENDER. I wish to state to my good friend, the Senator from Wyoming, that the committee gave a great deal of study to the proposal which he is now discussing.

Mr. O'MAHONEY. I have no doubt of it.

Mr. ELLENDER. And the committee voted it down. In fact, several such proposals were made.

Mr. O'MAHONEY. The committee may have been right.

Mr. ELLENDER. I think we were. I can cite one reason why I think we were right—

Mr. O'MAHONEY. I may vote with the Senator. However, I have not seen the new proposals which the Secretary has promised to prepare for us. If he does not prepare them, that will be another matter.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Certainly.

Mr. ELLENDER. When the bill was reported to the Senate for consideration, I had a time-table in mind which contemplated completion of consideration of the bill this week. Now, because there is objection to limiting debate, we are being asked to postpone action until Wednesday of next week. That means it will be a week from tomorrow before we begin voting.

Mr. O'MAHONEY. Will the Senate be in session tomorrow?

Mr. ELLENDER. Certainly.

Mr. O'MAHONEY. Then the Senator can raise the question tomorrow.

Mr. ELLENDER. We made the request yesterday, in the hope that it could be agreed upon today.

Mr. O'MAHONEY. I am only saying that I hope we will not limit debate until we find out the significance of what Khrushchev said, what Dulles said, and what the Secretary of Agriculture said, all of which are new developments since the committee held its meeting.

Mr. ELLENDER. They were not new developments. We passed on those issues in committee. They are not new. They have already been presented to us and they were rejected.

Mr. O'MAHONEY. Khrushchev spoke only a few days ago.

Mr. ELLENDER. I am talking about making food available to Russia.

Mr. O'MAHONEY. The Secretary of State spoke only last Sunday. The Secretary of Agriculture spoke this morning before the Joint Committee on the Economic Report.

Mr. ELLENDER. I am speaking of making food available to Russia.

Mr. O'MAHONEY. I know.

Mr. ELLENDER. That is the problem the Senator presents.

Mr. O'MAHONEY. I know, but there may be some new aspects to the question since the Secretary of State made his suggestion.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AIKEN. The Senator must realize that if Russia wishes to buy food, she can buy food today.

Mr. O'MAHONEY. Let us look into the question. Then we shall know whether we are to continue to hold back development of arms in this country.

Mr. AIKEN. I think the Senator from Wyoming has been digging up some red herrings. Russia can buy food today.

Mr. O'MAHONEY. Mr. President, I am so far from the red-herring grounds that I would not know a red herring if I were to meet one. I will take the advice of the Senator from Vermont on red herring.

I am merely saying that I shall object to any unanimous-consent agreement today.

STATEMENT BY THE SECRETARY OF AGRICULTURE  
BEFORE THE JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. GOLDWATER. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a statement made this morning, February 28, by the Secretary of Agriculture, Ezra Taft Benson, before the Joint Committee on the Economic Report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Most people in the Nation are enjoying unprecedented prosperity. Unfortunately, this is not so for all farmers and farm people. The President's Economic Report states: "The first and most pressing problem requiring the attention of the Congress is the continued decline of agricultural incomes." Since 1951, farm income has re-



ceded while new highs have been established in the nonfarm economy. For sound economic growth, the fruits of our amazing productivity must be widely shared. The President's program for agriculture, if adopted shortly, will substantially strengthen the opportunities for our farm people to share in the ever-rising standard of living which our national capabilities provide. It will help add new vigor to sound economic growth.

#### THE CURRENT AGRICULTURAL SITUATION

##### *Heavy supplies depress farm prices*

The huge surplus and our high level of output levy a heavy and growing burden on our farm and ranch people. Our economists estimate that the huge surpluses reduced farm income in 1955 by the staggering sum of more than \$2 billion. This is nearly 20 percent of net farm income.

Most of agriculture is staggering under the accumulation of the greatest surplus of farm commodities in the Nation's history. Further, the current level of production of some commodities is outrunning our markets at this time even at prices distinctly unsatisfactory to farmers. The factors which have contributed to this vast supply burden are well known: Wartime price support production patterns maintained too long for a peacetime economy; the explosive impact of rapid technological changes on farm production; and the rising agricultural output in other countries which has limited our outlets for commodities in greatest supply.

At the beginning of the current marketing year last July, CCC investment in farm commodities exceeded \$7 billion—the equivalent of more than a fifth of total farm marketings in a year. On top of record stocks, carried over from previous years, farm output in 1955 reached a new high, some 3 percent larger than in 1954. Crop yields rose 9 percent from the previous record—a gain in 1 year equal to the total gain of the preceding 5 years. In addition, the hog and cattle cycles were concurrently reaching their peaks with record or near-record rates of slaughter. During the first half of 1955, prices received by farmers had been fairly stable. The average of all farm prices in June 1955 was at the same level as at the beginning of the year. But under the impact of record output, the price decline, which had been under way since 1951, was renewed. Between June and December, prices received by farmers moved down 8 percent on the average. The sharpest drop came in hogs.

In recent weeks, the downtrend in prices has been arrested. According to the Department's latest report on agricultural prices, prices received by farmers in mid-January averaged slightly higher than in December. The hog market, although still low, has made a considerable recovery, especially since mid-January.

##### *High cost structure also contributes to lower farm income*

The farmer, with declining prices for the products he sells, faces a high and unyielding cost structure. Prices paid by farmers in mid-January averaged almost as high as a year earlier while prices received were down 7 percent. Further, this apparent stability in farm costs is misleading. It balances out substantial declines in prices paid for feed and feeder livestock—in many instances purchases by one farmer from another—with widespread price increases for products purchased from industry, notably motor vehicles, farm machinery and building materials. Even for food, the persistent increases in marketing costs have kept farmers, as well as other consumers, from realizing much relief in their food bills despite declines in prices of farm products.

The net result of the tightened cost-price squeeze in agriculture was a drop of about 10 percent in farm operators' total net in-

come in 1955. This is the aggregate for the Nation. In some regions, particularly the Northeast and the Pacific States, farm operators' net income was much the same in 1955 as in 1954. In large parts of the South, incomes were improved in 1955. The major impact of declining farm incomes came in the North Central and Mountain regions.

On a per capita basis, including the income of farm people from nonfarm sources as well as farm income, the decline from 1954 to 1955 was 6 percent. These reductions in incomes of farmers and farm people in the past year come on top of other reductions suffered in every year but one since 1947. That one year was 1951, at the height of the Korean war.

Agriculture is not prostrate and we should not forget that we have had large declines in the past. For example, in one year, 1949, per capita income of farm people dropped 20 percent. The total decline per capita since 1951 has been 12 percent. Further, despite this reduction, the average farm person in 1955 was about as well off in terms of purchasing power as in 1949. We can point to other indicators—the low rate of farm foreclosures in 1955, the strong farm financial position, the rising trend in land values to record highs—to show that there is a high degree of stability remaining in agriculture. But farm prices and farm incomes are too low, and we must see to it that significant improvement in the farmers' economic position is brought about promptly.

Wartime incentives were continued in peacetime with the apparent hope that they would protect farm incomes. Whatever the purpose, they have obviously failed. The decline in farm income from 1951 until the harvest of the 1955 crops occurred under the old law. In fact, realized net farm income has declined every year but one from 1947 to 1954, all under the old law. That one year was 1951, during the Korean war. Only during recent months has the Agricultural Act of 1954 begun to be operative.

##### *Consumption increasing steadily, but stocks continue to rise*

The present agricultural situation, while one of deep concern, has some favorable aspects. The broad base of consumption of farm products has expanded. Not only is our population increasing rapidly, but food consumption per person has also shown a significant increase since 1951. As a nation, we are consuming over 10 percent more food than at the time of the Korean war. This is real progress in developing peacetime uses for wartime production levels. Further, export volume of United States farm products, while still unsatisfactory in relation to our potential in world markets, has been improved materially in the last 3 years. The volume of agricultural exports dropped almost 30 percent from the fiscal year 1952 to the fiscal year 1953. Since then about half of the decline in export volume has been regained. In the current fiscal year, even with reduced demand from abroad for United States cotton, we expect an export volume in total about the same as last year.

To a substantial extent, these gains in expanding markets, particularly foreign markets, reflect vigorous programs of surplus disposal. In fiscal 1955 the CCC disposed of over \$2 billion of price-support commodities compared with a half billion in fiscal 1953. In the current fiscal year, we expect to dispose of \$2.5 billion of surplus commodities.

Despite aggressive surplus disposal and growing consumption of farm products, production of some crops has continued out of balance with peacetime needs. For each bushel equivalent sold out of CCC stocks, approximately one and a half have replaced it. The CCC investment in inventory and in price-support operations by the end of December has risen to \$8.7 billion and it may well be that the statutory authority of \$12

billion will need to be raised during the current session of Congress.

By the end of the current marketing year, carryover stocks of wheat are expected to exceed 1 billion bushels. While this is slightly less than at the beginning of the season, it is still more than enough to meet prospective requirements for our product in domestic and foreign markets for a full year. We expect that the cotton carryover at the end of this season will approximate 14 million bales, a new high and also more than enough for a full year's domestic and export requirements. The corn carryover will likely also exceed 1 billion bushels, and the carryover of other feed grains is expected to be a record high. Rice stocks are also at record high levels and increasing. Most of these stocks will be held by or under loan to the CCC. The exception to the rule of mounting surpluses is that stocks of food fats and oils by next fall will be less than half those of 2 years previous, reflecting a better balance in butter production and increased disposition of other fats and oils in foreign markets.

##### *The President's farm program*

It is clear that the onrush of technology and the productive potential of our agricultural community have outrun the capacity of existing farm programs to decisively and realistically adjust production to present market potentials. Moreover, the surplus problem has been aggravated to the extent that it will remain a barrier to price and income improvement and the effective working of present programs until significant reductions are in view. The President's program amounts to a massive attack to attain the objectives of adjusting production so as to reduce as rapidly as possible the vast surpluses and to insure that such unwieldy stocks are not built up again in the future.

##### *The soil bank*

The heart of the President's program to adjust production and reduce stocks is the soil-bank proposal. The establishment of a soil bank would be in two parts. One part—the acreage reserve—is specifically directed at the surplus crops of wheat, cotton, corn, and rice. The target for this proposal is to bring about the reduction of excessive carryovers for these crops to normal levels in 3 or 4 years. Farmers would voluntarily reduce their averages of these crops below their allotments. They would place specific acres into the reserve, receiving in return as compensation certificates which would be redeemable by the Commodity Credit Corporation. The total acreage involved in this proposal might be from 20 million to 25 million acres below 1956 allotments. For the next several years production would be reduced below consumption rates. Commodities now in Government hands could move to market. This is a temporary program to end as soon as surpluses are brought down to the size of normal carryover stocks.

This is a voluntary program. We have studies underway to determine the rate of compensation to farmers necessary to insure their participation in the acreage reserve. The payment will be generous enough to assure broad participation and effectiveness of the program.

The other phase of the soil bank is the conservation reserve. This is a long-range program. Also voluntary, it would be open to all farmers regardless of the crops they grow. The objective is to shift about 25 million acres from cropland to forage, trees, or water storage. It is designed to take some of our less productive lands out of current use and to improve them for long-range needs. In addition, some of the acres which have been diverted out of wheat and cotton into feed grains would be affected. Thus we will be moving in on the surplus problem of feed grains caused by the acreages diverted from other surplus crops. For this part of the program the Government would bear a fair



share of the cost involved in establishing suitable cover, up to a maximum amount, that would vary by regions. Further, as the farmer reorganizes his farm along these soil conserving lines, the Government would provide certain annual payments for a period of years related to the length of time needed to establish a new use of the land.

Let me point out that both the acreage reserve and conservation reserve have a strong feature of income insurance, since these payments would be made regardless of crop yields. Also historic acreage allotments would be protected.

Thus the soil-bank program could take out a total of 45 to 50 million acres of presently used cropland. There would be no grazing on the acreage reserve. Grazing would be prohibited on the conservation reserve for a specified period. We would be taking out as much as one-eighth of our total cropland from current use. We would expect a substantial reduction in crop output in 1956, especially output of surplus commodities, if the tools this program provides are available soon.

Let me discuss for a moment the 1957 budget expenditure estimates included in the President's budget message. You will note that the total budget expenditures for agriculture in fiscal 1957 are estimated at about the same level as in fiscal 1956 despite the inclusion of \$400 million to be expended for the conservation reserve of the soil bank. You will also note that the principal offsetting factor is the reduced estimate of expenditures under price-support programs. While the CCC budget estimates were formulated before the soil bank proposals were made by the President, it may be said that they include sufficient to cover the cash outlays under the acreage reserve program. This is based on the assumption that acreage reserve payments will amount to somewhat less than the amount of price-support loans that otherwise would have to be made on production from these same acres. I should mention that the estimate of the cost of price-support programs can be only a rough approximation at this time depending on the yields and market conditions that are realized during fiscal 1957. Under conditions of further acreage restrictions and the possibility that yields this year will not be as high as the very high yields of 1955, a substantial reduction in price-support expenditures would have been anticipated in any event.

This program is designed to increase farmers' net income in 1956 both directly in terms of payments to farmers from the Government and indirectly through the easing of supply pressures on prices.

#### *Other parts of the program*

The President's program consists of 9 points. I have discussed the soil bank which is perhaps the most vital of all. I will mention the others briefly.

The President has proposed measures which will widen and improve surplus disposal, particularly barter opportunities and removal of restrictions on surplus movements to the Communist bloc. This will help move CCC stocks out of the front door while the soil bank reduces what comes in the back door.

Commodity programs will be strengthened to improve price-support operations for individual products, including, among other actions, higher price supports for 1956 crop soybeans, cottonseed, and flaxseed, and an expanded school-milk program.

The President proposed that, if the Congress sees fit to enact it, a dollar limit on price supports should be established which will enable our family farms better to compete with huge corporation-type units.

The rural-development program already underway should be enlarged. It will open wider the doors of opportunity for both

farm and nonfarm activities, especially for a million and one-half farm families with incomes of less than \$1,000 a year. In brief, this program, which is cooperative with other Federal agencies and many of the States, involves research, education, credit, technical assistance, employment information, and vocational training.

The Great Plains program will help promote a more stable agriculture in an area where the risks of farming are great.

The President proposed increases in research which will help us find new crops, new market, and new uses for our agricultural abundance. A strengthened program of research and education will insure continued healthy progress in our agriculture and result in new horizons for our future.

Credit facilities will be expanded and strengthened to aid in the period of adjustment.

The gasoline tax, now paid by farmers to the Federal Government, would be refunded for purchases of gasoline used on farms.

This program, therefore, is many sided. It attacks not only the supply side of the farm problem but also expands market outlets and eases the cost-price burden in agriculture.

It is obvious that this cost-price squeeze will continue until and unless we can dispose of the surpluses which smother farm prices. But how dispose of them?

Number one way is to sell them at home—move the produce somehow into the domestic market in competition with current production. We know what this would do to farm prices.

The number two way of getting rid of surpluses is to sell them abroad. That can be done to a certain extent, and we have been doing it. But to force our surpluses on markets abroad in excessive quantities brings justifiable objections from our allies overseas. To upset world markets and depress world prices stimulates restrictive laws and retaliatory measures against us that hurt American farmers.

Number three way to get rid of our surpluses is deliberately to destroy them. This cannot be tolerated; the public will not approve such waste.

There is one other way, the only sound way yet devised, to get out from under the surplus burden and that is to cut down the flow of wheat, corn, and cotton into Government hands. This must be done—soon.

What the President proposed is a direct and effective attack on the surpluses themselves, an all-out operation which we should not ask the Nation to undertake more than once. In this respect it is not a new farm program; it is a means of clearing away the debris of our past programs so that our present program can go forward. This is not a program to empty warehouses so they might be filled again.

The Senate is now debating S. 3183. This bill would in general implement the administration's soil bank proposals. It would, however, also provide for a return to high rigid price supports for the basic commodities at 90 percent of parity, which the administration opposes for many important reasons. Mandatory 90 percent of parity—

Piles up surpluses, which then depress farm prices and farm incomes.

Fails to protect 75 percent of our farm production.

Stimulates unneeded output.

Retards wise farm management.

Discourages sound soil conserving practices.

Results in strict production controls.

Shifts problems to other commodities through the diverted acres route.

Distorts price relationships among farm products.

Throttles consumption.

Disturbs foreign trade.

Causes government to replace the private trade in the marketing of farm products.

Increases the cost of farm programs.

Gives least help to the small operators, who need help most.

Ignores the fact that volume is important, along with price.

If 90 percent of parity were the answer to our farm problems we would have no farm problems. Rigid price supports at 90 percent of parity have been in effect on every basic commodity from the year 1947—which was the high benchmark of farm income—until this fall's harvest. Except for the last few months, the declines in farm prices and farm income have taken place while 90 percent of parity was in effect.

With the soil bank, S. 3183 would strive to reduce our surplus. With rigid price supports at 90 percent of parity, the bill would provide the incentive for increased production and growing surplus. Both programs are costly and, so far as the effect on surplus is concerned, directly opposed to one another. It is time to decide whether we wish to move toward still greater surplus or toward a better balance of supplies and markets. This is the real issue as the Senate debates this bill.

S. 3183 would return us to the use for four commodities, of old or new parity, whichever is higher. This feature cannot be supported on a basis of equity or economics. Of the 159 farm products on which parity prices are computed, 4 would get this special treatment. These 4 are wheat, corn, cotton, and peanuts. In terms of up-to-date supply and demand conditions (that is, modernized parity) the support levels provided by S. 3183 would be: peanuts, 107 percent; wheat, 103 percent; corn, 100 percent; cotton, 91 percent.

Other features of S. 3183 are objectionable, and should be deleted. One is a provision which would increase the level of price supports for dairy products. The dairy business is making a commendable recovery from the dark days of 1954, when huge stocks of butter filled Government warehouses. Consumption is up, Government stocks are down, and the dairy industry has launched an effective sales and promotion program. To require an increase in the level of price support would return the dairy industry to the very difficulties from which it is now escaping.

There is an opportunity to get constructive legislation for agriculture, this year, if a number of the more objectionable features of S. 3183 can be deleted. Luckily this bill is so drawn that the needful amputations can be achieved without impairing the constructive parts of the bill. The big task, of course, is to persuade the patient to undergo surgery.

How much the administration's proposals will affect farm income in 1956 is hard to judge. We have reaped the consequences of years of unfortunate policies in agriculture. We cannot correct the situation overnight. We should keep firmly in mind that this program is not a temporary alleviation of the distress in agriculture. It corrects the basic ills, and its benefits are cumulative. The program provides a long-range solution to one of the most pressing problems our economy faces.

Let us realize also that in developing a solution for the economic forces that beset the farmer in the market place, our efforts on behalf of the low-income farmer who produces little for these markets should not lag behind. If we are to solve the whole agricultural problem, we must also proceed vigorously in the President's program to help the low-income farmer who has been so long disadvantaged in participating in the Nation's progress.

It is no less important, in this period of adjustment in agriculture, that we do what we can to ease the burden of high costs in



agriculture. Rigidities in the price structure of the nonfarm economy have increased the cost of items which the farmer must purchase and reduced the share he receives of the consumer's food dollar. In a period of declining farm prices, I cannot be sympathetic with increases in prices of items such as steel and of farm machinery which have occurred in recent months. Nor can I view with detachment the current request of the railroads for a further increase in freight rates which will aggravate the cost-price squeeze. The economic forces and policies that are contributing to a higher cost structure in agriculture, and in the economy at large, are not only a distinct threat to the well-being of agriculture, but perhaps also to the stability of the economy as a whole.

Mr. FLANDERS. Mr. President, I have just been attending hearings before the Joint Committee on the Economic Report. I listened to the statement of Secretary Benson on the currently proposed agricultural legislation. I find this testimony of the Secretary to be so factual, so clear, and so rational, that I believe it should be made available to the entire membership of the Senate as a part of the discussion now in progress with regard to the agricultural bill. So I am glad the distinguished Senator from Arizona [Mr. GOLDWATER] has had it printed in the body of the RECORD. Had he not done so, I would have made the request.

Mr. O'MAHONEY. Mr. President, I am very glad there is to be printed in the RECORD at this point the statement made earlier today by Secretary of Agriculture Benson before the Joint Committee on the Economic Report. I would have offered it for printing in the RECORD at this point if it had not been previously submitted by the Senator from Arizona [Mr. GOLDWATER], and again referred to by the distinguished Senator from Vermont [Mr. FLANDERS].

Mr. MAGNUSON. Mr. President, earlier I reserved the right to object to the unanimous-consent request, and then yielded the floor.

The PRESIDING OFFICER. There is objection to the unanimous-consent request.

Mr. ELLENDER. Who made the objection?

The PRESIDING OFFICER. The Senator from Wyoming [Mr. O'MAHONEY] objects.

Mr. ANDERSON subsequently said: Mr. President, I was very sorry, indeed, that it was not possible to obtain a unanimous-consent agreement to begin voting on the farm bill. With respect to the item which the Senator from Washington [Mr. MAGNUSON] and other Senators discussed a few moments ago, I should like to say that section 307 in the bill merely provides that the cargo preference acts shall not apply to transactions under title I of the Agricultural Trade Development and Assistance Act of 1954.

I merely wish to point out that title I refers to sales for foreign currency. We are providing in the bill that sales can be made to foreign governments, which they will pay for with their own currency, but we then tell them that they must ship the goods in American bottoms.

Mr. President, that has been the cause of annoyance. It does not necessarily cause any great financial loss to the foreign countries to make them comply with such a provision, but people just do not like to be told that when they buy something with their own money they must comply with our directions as to how they shall transport the goods to their countries.

The Committee on Agriculture and Forestry, by unanimous vote, thought that such a provision was not proper. It thought the provision was impeding the agricultural development of this country, and particularly that it was doing a great deal of damage to the agricultural commodities produced in the area from which the Senator from Washington comes and which he well knows.

If there is objection to section 307 of the pending bill today I merely say that the bill has been on the floor for a long time, and that it was reported to the Senate after a marathon session which lasted 14 hours of almost continuous meeting by members of the Committee on Agriculture and Forestry. To say now that such a provision should be taken back to committee and reconsidered seems pretty hard to some of us.

I merely wish to point out that if we do not begin voting on the bill soon we will succeed in making its provisions inapplicable to 1956. That can readily happen, because in a very short time the farmers will start planting crops in many parts of the country.

While I do not like the provisions which the able majority leader and the able minority leader have agreed upon, I say very frankly that I am willing to forget that and am willing to go on and debate the bill under the limitations proposed.

There was a reference in the first proposal to substituting House bill 12 for the Senate bill. I do not like House bill 12 at all. It merely provides for 90 percent price supports, and my position on that provision is well known. However, the leaders on both sides have agreed on something which they believe is sensible, and I am certainly not going to object to that sort of program.

I express the hope that an agreement to vote will finally be reached, so that we can start to vote on the bill at an early date. After the farm bill is passed by the Senate, if it is finally passed, it must go to conference. A great many Senators, I am sure, remember how tough some of the conferences between the Senate and the House have been on agricultural bills.

I sat in the conference on the farm bill of 1949 almost by special courtesy, because my name had been attached to the Senate bill. I did not have sufficient seniority on the Committee on Agriculture and Forestry to be there, yet the members of the committee were gracious enough to permit me to be present. We remained deadlocked for days. Finally, it became quite apparent that we were not going to reach any agreement, and I made a motion that the conferees break up in disagreement and report dis-

agreement to the Senate and to the House. That motion carried. The action subsequently was reversed—I never knew exactly how—and we took another vote the next day, when we were not so tired, and did submit a conference report. But we were literally days and days in steady session. On this occasion, we are going to have pretty much the same problems between the Senate and the House.

The House, in 1948, passed a 90 percent price-support bill, and the Senate passed a flexible price-support bill with the name of the Senator from Vermont [Mr. AIKEN] on it.

In 1949, we had the same story. The so-called Brannan plan was reported by the Committee on Agriculture and Forestry on the floor of the Senate. A then Representative, now a Member of the Senate, the Senator from Tennessee [Mr. GORE], strongly opposed it, but it was reported from the committee. The Senator from Tennessee moved that 90 percent price supports be continued for a single year. It passed the House, but the Senate passed a flexible price-support bill to which my name was attached. We may find ourselves in the same sort of a wrangle.

The House has now passed a 90 percent support bill. I trust the Senate will pass something different from that.

Some day I hope the farmers of the United States can have legislation passed before half of the planting season is over.

So far as I am concerned, Mr. President, whenever the majority leader and the minority leader can find some basis of agreement, I think we should start to vote, because I shall take whatever they present.

#### SHIPMENT OF COPPER AND OTHER STRATEGIC MATERIALS TO RUSSIA

Mr. SYMINGTON. Mr. President, shipments of copper were mentioned on the floor this morning. In view of the fact that also this morning there was reported in the press an interview with Sir Roger Makins, British Ambassador to the United States, who appeared as a guest on Reporter's Roundup yesterday, February 27, regarding United Kingdom shipments of copper to the Soviet Union, I wish to submit a few observations.

Sir Roger Makins was asked some questions regarding the study the Senate Permanent Subcommittee on Investigations, of which I am a member, is now making of East-West trade. I believe there are going to be some misunderstandings coming out of Sir Roger Makins' interview which I thought it would be well to try to clarify as soon as possible.

There was some controversy in this broadcast with respect to copper.

Mr. President, there was testimony before our subcommittee that more than 250 million pounds of copper products have been sent to the Soviet Union since copper was removed from the embargo list in August 1954. Over 75 million



pounds of this was sent from the United Kingdom and it is my understanding that licenses have been received for the sale of many more millions of pounds of copper wire during 1956. Perhaps Sir Roger Makins would inform us as to the number of licenses that have been granted by the United Kingdom for the shipment of copper wire during this year.

I might say here, Mr. President, that as the Senator from Arkansas [Mr. McCLELLAN], chairman of the Investigations Subcommittee, reported in a speech to the Senate last Thursday, Congress was officially informed on December 23, that copper remained under embargo. The Senator from Arkansas stated, "this was a gross misstatement of a material fact. It served to mislead Congress and the people."

Sir Roger Makins was questioned about the horizontal boring machine and its strategic value, and whether any of these types of machines have been sent to the Soviet bloc by Great Britain. The Ambassador stated he did not know about such a machine.

In view of this I thought it would be helpful to place some facts in the RECORD.

First, the horizontal boring machine in question costs between \$200,000 and \$500,000. Second, it was testified before our subcommittee by Defense Department experts, that this machine is indispensable in the manufacture of tanks, heavy artillery weapons, aircraft, ship transmission parts, and catapult parts on aircraft carriers.

These huge machines take approximately 18 months to manufacture. Sir Roger Makins said he did not know of any of these machines being sent to the Soviet bloc. But the record shows one and possibly 2 of these machines have been sent, and that 4 more are to be sent by a British manufacturer.

It might be well, Mr. President, to insert in the RECORD some figures on the United Kingdom's exports to the Soviet bloc since the relaxation of controls in August 1954. In 1953 the United Kingdom exported \$92.7 millions worth of goods to the Soviet bloc, of which \$34.3 millions was to the Soviet Union itself. In 1955, 6 months after trade restrictions had been relaxed with the concurrence of this Government, the United Kingdom exported \$164.4 millions worth to the Soviet bloc of which \$89.4 million was to Russia.

During that period of time, Mr. President, there was an increase of about 80 percent in the United Kingdom exports to the Soviet bloc and almost 150 percent increase in Great Britain's exports to the Soviet Union itself.

Mr. President, although the complete statistics are not available for 1955 as to the type of goods sent by the Soviet Union to Great Britain, there are some statistics available for the first 6 months of that year. The Soviet bloc furnished to Great Britain in return for these machine tools, machinery, metals, and transportation equipment, \$20 million of wood and wood pulp, \$13 million of cotton, \$13 million of meat, \$10 million of coal, \$7½ million of fur skins, \$4½ million of eggs, \$4 million of pig iron, \$3 million of corn, \$3 million of fruits and

vegetables, \$2½ million of manganese, and \$2 million of feeding stuffs, and so forth.

Mr. President, there was also another exchange with Sir Roger Makins on Reporter's Roundup regarding the United Kingdom's shipments of rubber to the Soviet bloc which I think should be clarified. So that there can be no dispute about it, I should like to read the questions and answers.

WILSON. Well, Bob, I, as a good Middle Western American I can't let the opportunity pass wholly to Miss Montgomery to twist the lion's tail as we call it. So, may I ask you, Mr. Ambassador, is there being shipped behind the Red Curtain or the Bamboo Curtain any rubber which is within the control of Her Majesty's Government?

MAKINS. Not from the—not from United Kingdom sources. Or colonial—or British colonial territories—that is prohibited. It is being shipped from other countries.

WILSON. But not within the orbit of Government of the United Kingdom?

MAKINS. No.

WILSON. But from somewhere in the south of—southeast Pacific probably. Is that right? Southwest?

MAKINS. Well, there are countries that are shipping, that are sending rubber to China because they have very strong, in fact, invincible, almost economic arguments for doing so.

In order to clarify the RECORD, Mr. President, let me say that in 1955 the United Kingdom shipped 25,371 tons of rubber and rubber products to the Soviet Union. Compare this to 1954 when there were 429 tons exported by the United Kingdom to the Soviet Union. We all are well aware of the strategic value of natural rubber.

What worries us on the committee is that all this information is kept from the American people.

The executive branch classifies this information in this country, but it is a matter of public record abroad.

I submit all this information in order to clarify the record.

#### ADJOURNMENT

The PRESIDING OFFICER (Mr. MORSE in the chair). In accordance with the last resolving clause of Senate Resolution 221, as a further mark of respect to the memory of the late senior Senator from West Virginia, the Senate will now stand in adjournment until 12 o'clock noon tomorrow.

Thereupon, at 1 o'clock and 44 minutes p. m., as a further mark of respect to the memory of the late Senator HARLEY M. KILGORE, of West Virginia, the Senate adjourned, the adjournment being in accordance with the terms of Senate Resolution 221, until tomorrow, Wednesday, February 29, 1956, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate February 28, 1956:

##### DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from the class of career minister to the class of career Ambassador:

James Clement Dunn, of New York.  
Loy W. Henderson, of Colorado.

H. Freeman Matthews, of the District of Columbia.

Robert D. Murphy, of Wisconsin.

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Don C. Bliss, of New Jersey.

James C. H. Bonbright, of New York.

Philip W. Bonsal, of the District of Columbia.

Hugh S. Cumming, Jr., of Virginia.

Walter C. Dowling, of Georgia.

Cecil B. Lyon, of New Hampshire.

James S. Moose, Jr., of Arkansas.

William J. Sebald, of the District of Columbia.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Robert G. Mizer, of New York.

Barr V. Washburn, of Utah.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

William H. Bray, Jr., of Missouri.

Harry H. Schwartz, of Ohio.

Paul C. Hutton, of Colorado, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Benjamin Bock, of Texas.

Frank M. Bryan, of Washington.

John Pryor Furman, of Virginia.

George O. Gray, of New Mexico.

George R. Jacobs, of Illinois.

Edward R. Kelley, of New York.

Robert Klaber, of Maryland.

Guy A. Lee, of Indiana.

Donald H. Nichols, of New Mexico.

R. Douglas Smith, of Virginia.

Miss Rebecca G. Wellington, of the District of Columbia.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Joseph A. Angotti, of West Virginia.

Miss Elizabeth R. Balmer, of Massachusetts.

Clifford O. Barker, of Virginia.

Raymond E. Chapman, of Michigan.

Frank A. Ecker, of Maryland.

John L. Hagan, of Virginia.

Earl T. Hart, of North Carolina.

Mrs. Mary S. Johnston, of Massachusetts.

Dallas L. Jones, Jr., of Louisiana.

Charles J. Kolinski, of Wisconsin.

Miss Lillie Levine, of Iowa.

Floyd W. McCoy, of Ohio.

Vernon L. Merrill, of West Virginia.

Walter L. Nelson, of Wisconsin.

Douglas B. O'Connell, of New York.

W. Angie Smith III, of Texas.

Eldridge A. Snight, of Virginia.

Richard Straus, of Maryland.

Casimir L. Subula, of Connecticut.

Mrs. Kathleen Clifton Taylor, of Washington.

Karl F. Weygand, of Massachusetts.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Raymond Bastianello, of Texas.

Miss Virginia Whitfield Collins, of Florida.

William J. Drew, of Massachusetts.

Robert D. Hodgson, of Michigan.

William C. Kinsey, of Virginia.

Waldemar A. Olson, of Wisconsin.

Joel Orlen, of Massachusetts.

Muneo Sakaue, of California.

Peter Simon, of New York.











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued March 1, 1956  
For actions of February 29, 1956  
84th-2nd, No. 35

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HIGHLIGHTS: Senate continued debate on farm bill. House continued debate on Colorado River storage project. Sen. Ellender introduced bill to authorize USDA to pay expenses of Advisory Committee on Soil and Water Conservation. Rep. Christopher spoke favoring inclusion of 90 percent price support provision in soil-bank bill.

## SENATE

1. FARM PROGRAM. Continued debate on S. 3183, the farm bill. (pp. 3121, 3146)  
Agreed to a unanimous-consent agreement that beginning on Thurs., Mar. 8, debate shall be limited to 2 hours on any amendment, motion, or appeal (except on motion to lay on table); that no nongermane amendment shall be received; that after all amendments have been disposed of, a motion shall be in order to consider H. R. 12, to which motion the same debate limitations shall apply as on any other amendment or motion; that after H. R. 12 is taken up it shall be deemed to be amended by substituting for its text the language of S. 3183, as amended; that if the motion to take up H. R. 12 does not carry, the Senate shall proceed to consider final passage of S. 3183 with debate thereon limited to 4 hours; and that in event of passage of H. R. 12, as amended, S. 3183 shall be deemed to be postponed indefinitely. pp. 3148, D175

Sens. Humphrey and Morse (for himself and Sens. Neuberger, Magnuson, and Murray) submitted amendments intended to be proposed to the bill. p. 3097

Sen. Capehart criticized a statement made by Sen. Kefauver in Iowa that higher interest rates are "the biggest increase in the expense on your farms." p. 3104

2. NATURAL RESOURCES. Sen. Goldwater defended Secretary McKay against "giveaway charges," and inserted a number of newspaper articles on the matter. p. 3098



Sen. Neuberger charged that the decision of Secretary McKay to abandon the Hells Canyon power site poses a "threat to the fisheries, wildlife, and outdoor grandeur of the Pacific Northwest," and inserted a number of articles and statements on the subject. p. 3105

Sen. Humphrey spoke in favor of a national wilderness preservation system, including wilderness areas in the national forests, and inserted a number of excerpts from letters commenting on such a system. p. 3108

3. DISASTER INSURANCE. Sen. Lehman inserted a n American Municipal Assoc. resolution and letter urging Congress to develop a plan for natural disaster insurance. p. 3094

4. INFORMATION. Sen. Young inserted the results of a questionnaire on various subjects, including farm matters, which he had sent to residents of W. Dak. p. 3105

#### HOUSE

5. RECLAMATION. Continued debate on H. R. 3383, to authorize the construction, operation, and maintenance of the Colorado River storage project. p. 3160

Rep. Green, Ore., inserted a letter from the Citizens Committee on Natural Resources expressing opposition to a dam on the Clearwater River. p. 3159

Rep. Miller inserted quotations from the President's news conference favoring the Colorado River storage project. p. 3160

6. CHEESE. Rep. Zablocki discussed the merits of cheese produced in Wisconsin and noted favorably the present cheese products promotion. p. 3159

7. ROADS; TAXATION. The Ways and Means Committee ordered reported with amendments H. R. 9075, to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, trucks, and buses. p. D178

#### ITEMS IN APPENDIX

8. FOREIGN TRADE. Extension of remarks of Rep. Philbin opposing the proposed plan which would authorize OTC regulatory powers over tariffs and foreign commerce and suggesting that Congress should carefully scan our entire foreign-trade relations. p. A1820

Rep. Williams, N.J., inserted the statement of the AFL-CIO executive council urging the establishment of the OTC. p. A1923

9. FARM PROGRAM. Extension of remarks of Rep. Knutson criticizing the administration's farm program and inserting an article, "Why the Farmer Isn't Flourishing." p. A1893

Extension of remarks of Rep. Christopher favoring the inclusion of price supports at 90 percent in the soil bank bill, describing the provisions of "conservation reserve goal," and inserting a newspaper article, "The President's Soil-Bank Plan Doesn't Help the Ozarks." p. A1894

Sen. Martin inserted a newspaper article, "Get Politics Out of Farm Support Bill." p. A1900

10. ECONOMIC REPORT. Sen. Martin inserted Sen. Bricker's recent address on economic justice and stated that "I hope no Republican, by exaggerating the economic achievements of this administration, will subvert the ideal of economic justice." p. A1897



had proper licenses to fish in Ecuadoran territorial waters.

Now we come to the meeting of the Inter-American Council of Jurists held at Mexico City between January 15 and February 6, 1956. There we find the meeting rigged against the United States in advance by the broad territorial sea countries—Ecuador, Chile, and Peru. They had in secret prepared a resolution designed to appeal to nationalistic feelings of the delegates. This was hurried through on the last day of the session without study, without discussion, and without time for consideration. The only thing that our distinguished delegate, Mr. William Sanders, could do was file the following declaration and reservation of the United States, which eloquently states the situation:

**"DECLARATION AND RESERVATION OF THE UNITED STATES OF AMERICA ON THE RESOLUTION ON TERRITORIAL WATERS AND RELATED QUESTIONS"**

"For the reasons stated by the United States representative during the sessions of committee I the United States voted against and records its opposition to the resolution on territorial waters and related questions. Among the reasons indicated were the following:

"That the Inter-American Council of Jurists has not had the benefit of the necessary preparatory studies on the part of its permanent committee which it has consistently recognized as indispensable to the formulation of sound conclusions on the subject;

"That at this meeting of the Council of Jurists, apart from a series of general statements by representatives of various countries, there has been virtually no study, analysis, or discussion of the substantive aspects of the resolution;

"That the resolution contains pronouncements based on economic and scientific assumptions for which no support has been offered and which are debatable and which, in any event, cover matters within the competence of the specialized conference called for under resolution LXXXIV of the 10th Inter-American Conference;

"That much of the resolution is contrary to international law;

"That the resolution is completely oblivious of the interests and rights of states other than the adjacent coastal states in the conservation and utilization of marine resources and of the recognized need for international cooperation for the effective accomplishment of that common objective; and

"That the resolution is clearly designed to serve political purposes and therefore exceeds the competence of the Council of Jurists as a technical juridical body.

"In addition, the United States delegation wishes to record the fact that when the resolution, in the drafting of which the United States had no part, was submitted to Committee I, despite fundamental considerations raised by the United States and other delegations against the resolution, there was no discussion of those considerations at the one and only session of the Committee held to debate the document."

I submit that these are not tactics and procedures which free and friendly nations should use in dealing with each other. For a body which is supposed to be technically qualified only in international law, which under the Charter of the Organization of American States is supposed to work as a serious technical body, to adopt such a resolution affecting vital legal, defense, social, economic, and security interests of all nations with virtually no study, no analysis, and no discussion is amazing. It shakes one's faith in the whole structure of the Organization of the American States.

Certainly we are glad to work out in the traditional spirit of Inter-American cooperation and friendship the complex problems of the high seas. But actions such as that

taken at the recent meeting of the Inter-American Council of Jurists will only create difficulties for a program of genuine Inter-American cooperation. It is not too much for us to ardently hope, indeed, to ask that the Council of the Organization of American States will take such actions as it may require to correct this ill-advised action of the Council of Jurists and reestablish faith in the normal processes of Inter-American cooperation.

### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. McNAMARA. Mr. President, will the Senator from Minnesota yield to me for a few observations on the pending bill?

Mr. HUMPHREY. Mr. President, I ask unanimous consent to yield whatever time is necessary to the Senator from Michigan, who wishes to speak on the pending bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Michigan is recognized.

Mr. McNAMARA. Mr. President, I thank the distinguished Senator from Minnesota for yielding to me at this time. I would not make the request, except that I shall be absent tomorrow attending the funeral of our late distinguished colleague, Senator Kilgore.

Mr. President, I wish to comment briefly on the business pending before the Senate, the proposed Agricultural Act of 1956.

Our time is short. I am sure we would all like to have this bill voted on as soon as possible. We must have a new farm law quickly, so that our hard-pressed farmers may receive at least some benefit during the current crop year. I shall confine my remarks to something I hold essential to this legislation, namely, 90 percent parity, at least on basic commodities.

There is no need for me to dwell on the plight of our farmers. The statistics are on record showing how the farmers are caught in a price squeeze which is growing worse by the day. Even the Eisenhower administration admits that the great prosperity of which it boasts somehow does not include the farmers.

I have the honor, in part, to represent the State of Michigan. I am proud of the fact that wherever I go people refer to my State as the home of the automobile. It is a great industrial State. I am proud of the many thousands of men and women who have made this possible. But I am also proud of many Michigan men of whom we have heard much less, namely, Michigan farmers.

The farmers of Michigan are good, hard-working, solid citizens. They, along with all other farmers, have been hurt.

The parity ratio, that measure of justice which describes in unmistakable terms the relation between prices paid by the farmers for industrial products they use and the prices they receive for their own products, was at 80 percent of the national average last January 15. That was very low, indeed, but the same parity ratio for the farmers of Michigan was even less, only 79 percent.

When farm parity is down to 80 percent, 1 percent here or there does not make much difference. I merely wish to show that our Michigan farmers are no better off than their brothers across the Nation.

Whenever our Nation faces a great crisis—for example, World War II, or the Korean conflict—our farmers are urged to increase their production to meet the expanded need for food. They have always responded with zeal by increasing production, often going into debt. Did they not know, when the fighting stopped, they would be left with an expanded agricultural system producing far more than necessary to sustain a peacetime economy? Certainly they knew. But they assumed, in good faith—and they had every reason to do so—that when the last shots were fired, when the grim reality of overproduction was staring at them, the United States Government—the very Government that had asked them to work hard and produce more—would stand behind them. They felt that while a period of readjustment was taking place, the Government and the people would share the common burden. That is what did happen after World War II.

But what happened in 1952? The big business, hard-money hucksters persuaded the people to accept a Republican administration. As a sort of bonus, the farmers got Mr. Benson. Let loose on the sensitive field of agriculture, Mr. Benson did his best to prove again an old fact, that the Republican Party is more interested in the profits of big business than the needs of the farmers.

After working hard for 3 years to ignore the needs of the agricultural population, Mr. Benson and the Eisenhower administration are suddenly interested in doing something for the farmers—so interested, in fact, that they forced themselves to borrow ideas the Democrats have been urging day in and day out; but the Republicans were late, as usual. We could ask, What is the hurry? Why the urgency after 3 years of inaction? Could it possibly be the heat of the pending election?

Someday, we may see a magazine article telling in praise terms how Mr. Benson drove the farmers to the brink of disaster just as his Republican colleague in the President's Cabinet brags of dangling the Nation on the brink of war three times. But Mr. Benson may not be as adroit as Mr. Dulles claims to have been. Too many of our farmers not only have been dragged to the brink—they have toppled over. And Mr. Benson's only solution is a soil-bank mattress at the bottom.

What we need, Mr. President, is a fence—a high, rigid fence of not less than 90 percent of parity—to help the farmers, at least until the full effects of the soil-bank program can be felt.

But Mr. Benson says that 90 percent parity on basic commodities will defeat the purposes of the soil bank. He says the soil bank is designed to cut down production and, ultimately, to raise prices. So far so good. But then he says that 90 percent parity will counteract this by inducing the farmer to produce more.



Mr. President, I believe there is a fundamental error in the Secretary's thinking. Indeed, recent developments have brought out that his argument has no basis in fact.

If the volumes of statistics prove anything, they prove that we have already ever lost any sizable sums of money on crops which were supported at a relatively high level. On the contrary, most of the losses came on commodities which were supported by a sliding scale.

I think, also, that Mr. Benson's statements show something else, namely, a basic distrust of the farmer. Would the farmer overproduce if his acreage should be cut by the soil bank and he had 90 percent parity? I am not a farmer, Mr. President, but I know the farmers of Michigan and the kind of people they are. And I am sure they think like a majority of American farmers. The farmer, I believe, will look at it this way: He knows that farming is in great trouble, and that this trouble is overproduction. Now he is promised 90 percent parity. He may not be entirely happy, because 90 percent is only 90 percent, and not 100 percent. But he is realistic and reasonable.

He is willing to shoulder his fair share of the burden of readjustment, if he is given a decent break. He knows he will not get rich, but he will get along until better times come. So he will not feel forced, or even inclined, to defeat the program by overproduction. And when we ask him to put some of his acreage into the soil bank, he will cooperate.

In addition to giving the farmers a pretty low score for intelligence—and honor—Mr. Benson also is attempting another time-dishonored Republican stratagem. I refer to his remarks designed to drive a wedge between the farmers and the industrial workers. By placing the blame for the farmers' predicament on industrial wage levels rather than on inept Republican policy, he hopes to turn these two mighty groups against each other.

But he cannot do it, Mr. President. The farmer and the industrial worker need each other, and America needs both. They will live and work and prosper together, if we help them and if we ignore the crippling attempts of Mr. Benson and others in the Eisenhower administration.

All we are asking, Mr. President, is justice—justice for the farmers—to enable them to gain their rightful share of the Nation's economy.

There is talk that passage of the pending bill, containing 90 percent parity provision, will meet with a veto. Mr. President, the Republican conscience—if there is such a thing—already has to put up with quite a burden, but a veto of such a bill would not be merely the rejection of a piece of legislation, it would be a rejection of the American farmer.

Again I thank my distinguished colleague from Minnesota for the opportunity to make my statement for the RECORD at this time.

Mr. HUMPHREY. I wish to congratulate and commend the Senator from Michigan for the statement, and for his

expression of conviction on the subject of the agricultural program. The Senator represents in part a great agricultural State, and he is doing it exceedingly well. We welcome the support and guidance he is giving us in this matter.

Mr. McNAMARA. I thank the Senator.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from Mississippi [Mr. EASTLAND].

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. EASTLAND. Mr. President, yesterday the Secretary of Agriculture announced an export-sales program on cotton. The New York Times today carries a statement from a spokesman of the Egyptian Embassy, which states that his Government was most unhappy about the American decision. He said, "We consider it a very unfortunate step at this time."

I call the attention of the Senate and of the country to the fact that what the United States is doing in supporting the prices of farm products, and then selling them at a cheaper price in the world market, is exactly what Egypt has been doing. The Egyptian Government, until 2 years ago, had in effect a form of export subsidy. Then it also indulged in currency manipulations. The Government was using trade practices of that kind in order to take the markets of the American cotton farmer.

What the United States is doing is meeting unfair competition.

Most of the Southern delegation in Congress have worked for several years to get an export-sales program adopted by the Government. I think it means the difference between life and death for the American cotton industry.

The Department of Agriculture for a year now has been pressing to secure that kind of program, because its officials have realized that it is right and just, but their efforts have been blocked by the State Department.

I congratulate the Secretary of Agriculture and the officials of his Department on the announcement and on the imminent institution of that program. I did not know the announcement would come so quickly, and I had no inside information about the terms of the announcement. However, I am very highly pleased with its terms, and I am sure that what will happen will be of great benefit to the cotton growers of the United States.

Mr. HUMPHREY. Mr. President, when I yielded the floor on Monday, I indicated that my next discussion of the farm bill would be in the nature of a review of the position the agricultural economy occupies today in relationship to the other segments of the American economy, and, also, that I would cite for the RECORD some of the developments which have taken place in the past 3 years in the agricultural areas which should long ago have commanded our attention.

Mr. President, before I go into that, on this particular subject, I should like to

invite the attention of the Senate to a matter of rather grave concern to me, and, I hope, of rather grave concern to my colleagues.

It may be recalled that on Monday I cited the propaganda and advertising program which was going on throughout the country under the sponsorship of the Republican National Committee in an effort to persuade the farmers of America to vote for the Eisenhower farm program. I hope, Mr. President, that that program will be offered by someone, so that we can vote on it, because if it is offered, it will be defeated. Of all the misrepresentations any man ever heard of, or to which this country has ever been subjected, the advertising program that is going on at the present time is the supreme and extreme example.

I have been receiving a few letters. In fact, Mr. President, I sat in my office last night until after 2 o'clock signing mail in response to letters which I had received from farm families in Minnesota. I picked out a few of them. We have two or three thousand of them, yet unanswered, I must confess, even though I signed more than 700 last night. I added some personal note in an effort to keep our farm people apprised of what is going on in the Senate in the discussion of the agricultural bill. But some of those letters referred to the Eisenhower farm program, and I received a few of the coupons—a good old advertising technique: "Send in a box top and get a farm program."

The trouble is, Mr. President, that some farmers have sent in the box tops, but the instructions on the box tops related to nothing which is before the Senate. The farm program which is before the Senate was written by the Committee on Agriculture and Forestry. It is true that a few parts of the program were recommended in the President's message—a message in an election year. That was a very interesting message. Many of the other points in that message had been scorned and scoffed at by the same administration only a year before—the soil bank, for example. Apparently someone reached the President's ear and told him that the soil bank was popular. Anyone who traveled with the Senate Committee on Agriculture and Forestry when it was holding hearings would know that many farmers were interested in some kind of a soil bank.

Of course, Mr. President, I wish the record to be accurate and clear that the soil-bank proposal is not new. We have had the soil-bank proposal in Congress since 1933. Several Members of the other House presented bills providing for a soil bank, but all such bills were rejected by this administration.

It was my privilege to introduce a bill on the soil bank almost identical with the conservation reserve section in the pending bill. As late as September 30, 1955, the Bureau of the Budget and the Department of Agriculture said that the program which Hubert Humphrey suggested was unworkable, too costly, undesirable, in addition to several other adjectives by which it was described. That was on September 30, 1955.



But then came the President's message on agriculture. A few stories appeared in such outstanding farm journals as the Wall Street Journal which indicated that the administration was going to urge a soil-bank proposal; and all at once the soil bank became a great miracle formula for solving all our farm problems. It is around this concept of the soil bank that the newspaper advertising, the spot announcements, and the radio advertising are going on—the Eisenhower 9-point farm program.

Some of my Republican colleagues want to vote for it. I hope someone will offer the whole 9-point program, and we shall see how many votes it can receive in the Senate as a substitute for the pending bill.

Furthermore, Mr. President, I may say that some of us will offer 1 or 2 amendments covering portions of that 9-point program, such as limitation on crop loans for price-support purposes. I had such a bill pending for several months, but the administration was opposed to it when a Democrat introduced the bill. Yes, I had a proposal to cut off and to limit crop loans for price-support purposes along the lines suggested by the President in his message, but his own Department of Agriculture said, last July, that it was unworkable, administratively difficult, undesirable, and used a few other descriptive phrases.

Mr. President, I want the American farmers to know that if they can get someone to offer the Eisenhower farm program they might have more chance to collect on all the box tops which have been sent in.

But I am happy to know that the farmers of my State are alert, as they have always been. They are good, solid farm folk. At some time in the course of this debate I intend to read quite a few of the letters which I have received from them. There is one at hand which I think is rather interesting. I picked it off the top of the pile. It says:

DEAR SENATOR: I just finished reading the Republican ads regarding Eisenhower's nine-point plan and how we should write immediately to our Senator. This is not the kind of letter they have in mind. Nor was it the kind of letter Benson had in mind in his hysterical tirade in St. Paul the other night. I am the lady who recently gave you the housewifely example on the price-squeeze.

She goes on to tell about the prices the farmers are paying, and then she says:

Another point that frightens me—and threatens what you are fighting for—is the veto of 90 percent of parity. We small farmers are competing with the big farmer now. Then we small ones will be squeezed between Uncle Sam and the big farmer.

She goes on further in her letter and says, speaking of Mr. Benson:

He mentioned your sad comment that the administration is trying to wipe out all parts of the farm plan that will bring an insured income to the farmer. In injured agony he shouted, "How dare HUMPHREY make a political issue of the farm situation?" (He neglected to mention the Republicans will spend \$250,000 to advertise their plan, assuring us we can charge our necessities. If instead if they, like you, would try to assure us an income, we could buy our overshoes next year, too.)

You don't have to answer me, but just keep your slingshot handy and ping away at Benson. Ping him a good one for me.

She is a lovely lady and shows good judgment.

Mr. President, there are many letters which I could bring to the attention of the Senate.

As I said in a reply to one of my constituents, I would be happy to have an opportunity to vote on the Eisenhower farm program. Of course, I would vote against it. But the only place where I have seen the program mentioned is in the newspapers. While there are departments of the Government which hand out statements of their policies to periodicals—selected periodicals, of course—generally, Congress does not base its votes on newspaper stories; we generally vote—and I know of no exceptions—on bills which are before us.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is the Senator familiar in a fairly complete way with the nine-point Eisenhower farm program?

Mr. HUMPHREY. Yes; I am reasonably familiar with it.

Mr. KERR. Did the Senator find in the entire nine points any provision which indicated an additional dollar would be put into the pocket of either a Minnesota or an Oklahoma farmer in the calendar year 1956?

Mr. HUMPHREY. I must say that after careful examination I not only found that there would be no additional income; but if the program as it was presented to our committee, in the terms of the administration bill, had been approved by the committee, the prices of farm commodities would have gone down, down, and down.

I exposed the joker in the administration bill under which the administration was to have a sleight-of-hand performance to pay for the program. It is interesting to note that there was nothing included in the budget for the new soil bank program. It was to have been paid for by selling surplus commodities from the Commodity Credit Corporation into the domestic market at any price which could have been obtained for them.

When my colleagues learned that such a provision had been placed in the bill, they abandoned the bill as fast as it was humanly possible for them to leave it.

Mr. KERR. Is there any Republican now living of whom it can be said that he understands definitely every one of the nine points in the Eisenhower farm program?

Mr. HUMPHREY. I have not found one. I might say that if we continue to look, there is a possibility one will crop up.

Mr. KERR. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. The Senator from Minnesota earlier mentioned something about election year programs. To what was he referring?

Mr. HUMPHREY. I was referring to the most recent election year promise—the 1956 variety. The old promise of 1952 is still existent; it is untouched,

unused. It apparently has been encased in some kind of political mothball preparation. But there is a brand new one out.

Mr. MANSFIELD. Was the old promise honored?

Mr. HUMPHREY. The old promise was not honored. Apparently the old promise was a part of the storage program. It has been stored away.

Mr. MANSFIELD. What was the old promise?

Mr. HUMPHREY. The old promise was repeated often. Many of the letters I have before me refer to that old promise. It was the golden promise in Minnesota. The little town of Kasson has attained international fame because it is the place where the promise was made, but it was never redeemed by the Republican politicians.

At Kasson, in Dodge County, one of the finest areas of our State, the President, who was then the candidate of the Republican Party, promised 90 percent of parity; and he became so enthusiastic that he even put the amount up 10 more points, to 100 percent of parity. He went up to 100 percent. It paralleled the reaction of the stock market after Eisenhower speaks; it goes up 10 points.

Mr. MANSFIELD. Was the promise made only in Kasson?

Mr. HUMPHREY. Then Candidate Eisenhower went to Brookings, S. Dak., to Fargo, N. Dak., and to Omaha, Nebr. He was sort of making the rounds of the Midwest with his promise. It got better as time went on; it was a promise, without any ifs, ands, buts, or ors, that there would be not less than 90 percent of parity.

Mr. Benson has commented about the mess which the Republicans inherited, and about the terrible aspects, as he points out, or paints it, of 90 percent of parity. But all of that was known to the Republican candidate for the Presidency in 1952. He knew what 90 percent of parity meant. I trust he did.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is not the Senator indulging in a pretty violent assumption to state categorically that the Republican candidate in 1952 knew what he was saying?

Mr. HUMPHREY. I am of a charitable nature today, and of a charitable mind.

Mr. KERR. Then, if the Senator speaks through charity, I can find no fault.

Mr. HUMPHREY. I thank the Senator. I am happy to yield to my charitable friends.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I take it that General Eisenhower, when he was a candidate for office in 1952, knew that the Republican farm program was for at least 90 percent of parity, and eventually for full parity, with no ifs, ands, or buts.

Mr. HUMPHREY. The Senator is eminently correct. Candidate Eisenhower went even further by promising 90 percent of parity not only for storage



commodities—the basic commodities—but for perishable commodities as well. Our hog farmers, who are getting about 60 percent of parity, are looking for the other 30 percent. One of the greatest hunts is now going on in our part of the country. The hog farmers are looking for the other 30 percent from the Republican parity.

Mr. MANSFIELD. I take it, then, now that we have laid the groundwork, that what the Senator really is referring to is what is supposed to be the present Eisenhower farm program.

Mr. HUMPHREY. Yes; the one which is appearing in the newspapers.

Mr. MANSFIELD. The one which is getting the half page advertisements for which the Republican senatorial and House campaign committees are putting up \$250,000 to popularize the propaganda throughout the country. Is that the program?

Mr. HUMPHREY. That is the one.

Mr. MANSFIELD. Where is that program?

Mr. HUMPHREY. The only place I have been able to find it is in my mail. It is not on the Senate calendar, I assure the Senator. It is not before any committee. I imagine there is a copy of it at the White House, and I assume there is a copy in the possession of the public relations firm in Chicago, about which I shall have something to say before the debate is finished.

Here is a copy of it. I always keep one handy. This is one of the half-page advertisements.

Mr. MANSFIELD. I am getting them.

Mr. HUMPHREY. The interesting thing is that there is not an upper Midwest Republican Senator or Representative who wants to endorse it; yet it is being published in their areas so as to help them.

Mr. MANSFIELD. That is true; but it does carry the name of a Republican Senator and a Republican Representative.

Mr. HUMPHREY. That is what could be called service beyond the call of duty. Those men should be honored for that, rather than to be chastised. I know the Senator meant his remark only in the sense that those Members of Congress are doing political work and political duty.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. The Senator indicates that this is a part of what seems to be a \$250,000 advertising campaign.

Mr. HUMPHREY. That is the price which is stated. That is probably conservative.

Mr. KERR. Is there any statement in the advertisement as to where the funds came from with which to pay for the ad?

Mr. HUMPHREY. Yes, it says: "Paid for by National Republican Senatorial and Congressional Committees."

Mr. KERR. Is that a farm organization?

Mr. HUMPHREY. I doubt it. The chairman of the senatorial campaign committee, our distinguished friend and

colleague, the junior Senator from Arizona [Mr. GOLDWATER], has resigned, just as the sponsors of the administration's farm bill withdrew when they learned what the administration had placed in the bill.

I feel sorry for my colleagues if they were led to believe that something else would be in the bill. It is necessary to read through the fine print. There is a lot of fine print.

Mr. KERR. That is, in the advertisement.

Mr. HUMPHREY. There is very little heavy print. It is the fine print which really should be noted.

No; if this is a farm organization, it is a new one. But I doubt if we could really call the National Republican Senatorial and Congressional Committees an agricultural organization.

Mr. KERR. The advertisement does not contain a list of the board of directors, does it?

Mr. HUMPHREY. No, it does not.

Mr. President, I should like to have printed at this point in my remarks the release entitled "The Joker in Ike's Farm Bill." It explains what was in the administration's farm program.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

#### THE JOKER IN IKE'S FARM BILL

There is a joker in the deck of the administration's widely publicized new program for solving the farmer's plight, Senator HUBERT H. HUMPHREY, Democrat of Minnesota, charged today.

"Instead of helping to bolster farm income and farm prices, all it is designed to do is to unload Government holdings of farm commodities at distressed prices on the domestic market in direct competition with the farmer already struggling for a better break on that market," Senator HUMPHREY said.

"Because they have run into too many obstacles against disrupting foreign markets by dumping these products abroad, they now propose dumping them at home—underselling other products farmers have to sell, and underselling their own support program.

"The entire farce is exposed in language of the administration's own farm bill introduced in the Senate yesterday—the fine print in the insurance policy that belies all the glowing promises made by the salesmen in the President's farm message and in the Secretary of Agriculture's testimony before the Agricultural Committee.

"It is a provision permitting the Government to sell surplus commodities into our domestic markets at the market price, regardless of support levels, to pay off the certificates given farmers in return for voluntarily cutting back their production beyond the allotments to which they would be entitled under law.

"Neither the President's message nor the Secretary's testimony revealed this fact. Both indicated that the program would be financed out of the existing stocks, but neither revealed that their intent was to dump these commodities at any prices they would bring regardless of how much they depressed the existing market.

"It becomes apparent that they are more concerned about getting rid of Government holdings than they are about what happens to the farmer.

"Anybody in the commodity trade will tell you that this single action will be the greatest price depressant for prices of basic farm commodities yet invented. If such a measure is pressed further and enacted, you can expect sharply lower prices for major grains.

"The sad part about it is that this administration brainchild would in the long run increase rather than decrease Government holdings.

"If the Government intends to sell its present holdings at lower than support prices, it only means that it will capture all the market from farmers and in turn have to take possession of all the farmers' commodities placed under loan at higher levels. It would just be a vicious circle, of everything having to go through Government hands to be sold back cheaper to the trade. I doubt very much if any buyer would be foolish enough to buy at higher prices from the farmer if he knows he only has to wait to get the same commodities at the administration's fire-sale bargain counter."

Senator HUMPHREY explained that the present law prevents the Commodity Credit Corporation from selling its stocks at less than 5 percent above the support level, plus interest, unless they are in danger of deteriorating. The administration bill provides for removing that 5-percent restriction, but then goes even further to exempt from any limitation the sale of any amount of commodities necessary to payoff the soil-bank certificates, he added. It is the latter proposal that Senator HUMPHREY vigorously protested as sabotage of the entire farm program price-support loan concept.

"Every action this administration has taken since it has been in office has tended to depress farm prices, and thereby drive more stocks into Government hands. It was too good to believe that the bold, new program would be any different—and now the truth is exposed. Once again, the administration is embarked on driving farm prices still further downward. The only difference is that the former objective was supposed to have been to force some farmers out of business. Now, the objective is just getting rid of stocks in the Government's hands—regardless of the consequences upon farmers.

"Strangely enough, it is entirely contrary to everything this administration has preached about 100 percent of parity in the market place. Now, apparently, they want to determine themselves just what the farmer should get in administered prices and drive the market place down still further.

"When they talk so glibly about paying for removing the surplus with the surplus itself, what they are really saying is that they want to pay for it out of the pockets of farmers—out of their already depressed income, by driving it down still further.

"After having lowered farm prices, increased surpluses, and driven thousands of farmers off the land, the administration now proposes that the farmers still remaining pay the bill for the failure of its farm program and its administrative bungling.

"This new formula will result in crippling the free market, lowering farm prices, and lowering the boom on the Nation's farmers," Senator HUMPHREY said.

Mr. HUMPHREY. Mr. President, I want the RECORD to be clear. So far as the junior Senator from Minnesota can recall—and I will keep the RECORD open for any corrections—all the Senators who introduced the administration farm bill repudiated that particular section when they found out what kind of a provision had been placed in the bill for financing the soil bank. That was an act of honor and intelligence on their part. I commend them for thinking in terms of the public interest, rather than being victimized, so to speak, by a measure which did not carry out what they thought was in it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.



Mr. MANSFIELD. The Senator from Minnesota mentioned something about Secretary of Agriculture Benson going around the country talking about the mess which he inherited. Can the distinguished Senator tell the Senate and the country how much farm prices have declined in more than 3 years under this administration, and how much, in comparison, farm costs have risen?

Mr. HUMPHREY. I have that on page 22. I have a long speech to make. I intend to document the farm case. It will take a little time to do so, because there has been so much misinformation that even when one has the truth it is necessary to take a little time to study it.

The total net farm income has declined 29 percent. The increase in the cost of farm operations I shall get to in more detail, but answering the question broadly now, most of the manufactured goods farmers use have risen 4 or 5 percent in price. That does not include the increases in taxes and interest, and the largest single increase is in interest.

Do my colleagues remember the day Ezra Taft Benson raised interest rates on emergency disaster loans? Interest—this administration has had a price-support program for bond brokers and bankers ever since it has been in office. The first thing it did was to raise interest rates. Interest rates have not flexed one bit; the administration wanted them high, and rigid.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Will the Senator not include power trusts as a group for whom the administration has had a program?

Mr. HUMPHREY. Yes. I could expand the area of friendship and affinity of interest to many groups.

Mr. KERR. Is it not a fact that when the President directed the preparation and execution of the Dixon-Yates contract, he proved he not only was in favor of fixed price supports, but was in favor of at least 125 percent of parity, provided it was for the benefit of a select few rather than for the farm families?

Mr. HUMPHREY. The Senator from Oklahoma is so right that there is not a man alive who would even think of disputing what he has said, because the record is replete with the very unfortunate and unhappy facts of the Dixon-Yates fiasco.

Mr. KERR. Therefore we can fully assume, at the beginning of the discussion, that the administration is not against fixed price supports and is not against 100 percent of parity or more, provided it is for the benefit of the designated few who are the especially favored of the administration. Is that correct?

Mr. HUMPHREY. The Senator is so right. I should say that, with few exceptions, there is an exclusive class in the group of the favored few wherein the farmer is not to be found.

I have another matter I should like to call to the attention of my colleagues. The New York Times of this morning carried a very interesting news story, to which some reference was made earlier today. The news story is by one of the

most able, noted, and distinguished reporters, Mr. William M. Blair. The date line is Washington, February 28. I shall read parts of the news item:

WASHINGTON, February 28.—Ezra Taft Benson announced today that the Government would put all Federal-owned surplus cotton on the world auction block, effective August 1.

The Secretary of Agriculture said also that he had offered southern Democratic Senators a higher support price for cotton in return for their support of the administration's flexible price-support system.

A little further down in the column, the following appears:

Both actions by Mr. Benson were expected to have explosive effects. His recital of dealings with southern Democrats appeared certain to set off new political fireworks as the Senate moved toward a showdown vote on the bitterly contested farm issue.

I would not want to say that what I am engaging in now is fireworks, but I intend to light a match and throw a little light on the subject.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Might it not be an entirely worthy aspiration that it develop into fireworks insofar as the continuity of the present administration and the Secretary of Agriculture is concerned?

Mr. HUMPHREY. Indeed.

Mr. KERR. The Senator would not be averse to building a little fire under the Secretary of Agriculture, would he?

Mr. HUMPHREY. Not now or in the future. Let me say I would not be averse to having a fireworks display now, although I usually wait until the Fourth of July.

Mr. KERR. Nor would the Senator be averse to adding a little fuel to the fire which he believes is burning, would he?

Mr. HUMPHREY. I should like to add the fuel of facts.

Mr. President, I ask unanimous consent that the article in the New York Times to which I have made reference be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENSON TO OFFER SURPLUS COTTON IN WORLD TRADE — FOREIGN PROTESTS EXPECTED — HIGHER PROPS PROPOSED FOR SOUTH FOR FARM BILL AID

(By William M. Blair)

WASHINGTON, February 28.—Ezra Taft Benson announced today that the Government would put all Federal-owned surplus cotton on the world auction block, effective August 1.

The Secretary of Agriculture said also that he had offered southern Democratic Senators a higher support price for cotton in return for their support of the administration's flexible price-support system.

[Reports of the surplus-disposal plan sent cotton futures tumbling as much as \$3 a bale in heavy selling on the New York Cotton Exchange. In Liverpool, some futures dropped the daily limit permitted by market rules.]

A protest was registered immediately by Egypt, one of the world's leading cotton producers. A spokesman at the Egyptian Embassy said his government was most unhappy about the administration decision. "We consider it a very unfortunate step at this time."

Mr. Benson said the new program would seek to recapture "our share" of the cotton market through sales of surplus cotton at world competitive prices. This is a step long sought by many southern Members of Congress and some cotton interests.

#### DUMPING IS DENIED

Both actions by Mr. Benson were expected to have explosive effects. His recital of dealings with southern Democrats appeared certain to set off new political fireworks as the Senate moved toward a showdown vote on the bitterly contested farm issue.

The competitive sale of all surplus cotton was regarded as likely to cause worldwide repercussions among countries that already have protested strongly the administration's surplus disposal methods.

Mr. Benson decried intentions of dumping cotton or other products to force down world prices. But, he said, the new cotton program is "notice to the world that we're not going to continue to hold an umbrella over world markets."

He referred to the Federal price support program that has held American cotton prices above world levels. He set an export goal of "somewhere in the neighborhood of 5 million bales a year as our share of the world market."

Exports totaled 3,500,000 bales for the fiscal year that ended last July 1. Exports for the current year have been estimated at less than 2,500,000 bales.

Nearly 12 million bales of cotton valued at more than \$2,100 million are tied up under Federal price supports. Under a special program, cotton is being sold abroad at 6 to 10 cents a pound below domestic market levels. This program was started with an offer on January 1 to sell at competitive prices 1 million bales of low-grade cotton. More than 890,000 bales have been sold to date.

In instituting the special program, the United States promised other countries it would not sell more than the 1 million bales between January 1 and August 1.

These major farm front developments were accompanied by a reiteration from President Eisenhower today that he would not compromise on the flexible versus rigid price support issue in this election year.

Senator William F. Knowland, of California, Senate Republican leader, said the President had "made clear" that he stood solidly behind the flexible system at a White House conference with Republican congressional leaders.

#### SOUTHERNERS NOT NAMED

Mr. Benson declined at his press conference, the first in several weeks with Washington newsmen, to name the southern Democrats or other Members of Congress with whom he had talked. But he named three Democrats about whom, he said, "it was rumored" that they might switch from rigid to flexible supports. All are from major cotton-producing States. Their names had been put forward previously as possible "switches" by farm organization lobbyists on Capitol Hill.

They were Senator JOHN C. STENNIS, of Mississippi, and Senators JOHN J. MCCLELLAN and J. WILLIAM FULBRIGHT, of Arkansas.

Mr. Benson's statement was elicited by a reporter's question on whether he had made any commitments, oral or written, to any Members of Congress in return for their support of flexible price supports. He answered: "I have had some very frank discussions with some of them but so far as making firm commitments, there hasn't been a word written. We have just talked and I have talked very plain and very frank as to what I thought was needed, particularly in the case of cotton."

Pressed for a definite answer as to whether he had made any commitments "oral or otherwise," he replied, "Well, I don't know."



He then said he had told the southerners of the need for "flexibility in the cotton support program" and "what we would be willing to do in its Department" if flexibility was obtained.

He said, "we would be willing to move the adjusting support level" by a smaller amount if he obtained adjustments in the price and in the staple length upon which price supports were based.

"And we have even talked in terms of what amounts," Mr. Benson added in referring to what the support level would be if the Southerners were willing to grant concessions.

Senator JAMES O. EASTLAND gave a clue to the situation only yesterday in a speech in the Senate floor. He said he believed that the support rate on cotton for this year "will be fixed at a reduction in price of less than 3 cents a pound." This reduction was necessary, he said, to place "cotton in a better competitive position" with synthetic fibers.

He coupled this statement with a conviction that the administration probably would support legislation to fix a minimum cotton acreage allotment for 1957 to 1958 to prevent a 1,500,000-acre cut next year. He thought the floor under cotton would be 17,391,000 acres, the national allotment for this year.

Mr. Benson said the price support of parity mentioned by Senator EASTLAND was a little high. Mr. Benson said 86 percent of parity might be a better figure. Cotton was held at 90 percent last year, the first year of operation for flexible supports.

Prior to the adoption of flexible supports, 90 percent of parity was mandatory for cotton, corn, wheat, rice, and peanuts. The Senate bill would restore this fixed level to these so-called basic crops.

Parity is a Federal standard designed to assure farmers a fair return for their products in relation to purchasing power.

Mr. HUMPHREY. Mr. President, I should like to read parts of the article:

Mr. Benson declined at his press conference, the first in several weeks with Washington newsmen—

He has been away from Washington. He has been having conferences at Des Moines, St. Paul, San Francisco, and other places. He has been out of the city, explaining the farm program, so he has not been here to have these conferences.

Mr. Benson declined at his press conference, the first in several weeks with Washington newsmen, to name the Southern Democrats or other members of Congress with whom he had talked. But he named three Democrats about whom, he said, "it was rumored" that they might switch from rigid to flexible supports. All are from major cotton-producing States. Their names had been put forward previously as possible switches by farm organization lobbyists on Capitol Hill.

Then he goes on to name our colleagues.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DANIEL. Neither Senator from Texas is included?

Mr. HUMPHREY. No, the Senator from Texas is not included.

Mr. DANIEL. Neither Senator from Texas is included.

Mr. HUMPHREY. Neither Senator. I protest Mr. Benson's indicating that he can make any kind of offer which will in any way change the vote of any of our colleagues. I think what he was trying to say was that he had such a

wonderful policy and program to offer that he switched their votes.

I happen to know that one of those Senators had his mind made up a long time. In fact, I know of two of them, and I am sure the third is going to stand with us on 90 percent of parity price supports.

I should like to remind the Secretary of Agriculture and any other official of the Government of the fact that this is the administration which seems to think there are arrogant lobbyists running around. My colleagues may remember that in the President's veto message of the gas bill he mentioned the arrogance of certain interests, and the administration suggested that there are lobbying activities which should be investigated. There are 1 or 2 lobbies which they might investigate in their own shop, such as Executive lobbies.

Mr. President, in the United States Code, under title 18, section 1913, there is a section under the heading "Lobbying With Appropriated Moneys," which reads:

No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service \* \* \* telephone \* \* \* or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer—of the United States, or of any department—thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than 1 year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment.

There have been many Members of Congress who have been quite disturbed by what they consider to be the lobbying activities of the present administration.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. On the basis of what he knows to be the facts, with reference to vigorous lobbying by certain representatives of the executive branch of the Government, would the Senator think that when the President uses the term "arrogant" with reference to lobbyists, his application of it is based solely on whether or not the lobbying coincides with his viewpoint or can be found in his official family?

Mr. HUMPHREY. There seems to be a good deal to show that is true. I should like to point out that, as I said earlier, Mr. Benson, in his press conference, makes quite clear what he is trying to do. He is trying to split up the votes in the Senate, and I want my friends from any section of the United States, particularly from the South, to know that one of the

ties which has bound together the North and the South, particularly the Midwest and the South, is our great agricultural economy. We have had a great deal of identity of interests. The Secretary is moving in. He is offering a special corn program deal, a special cotton deal, and other suggestions here and there—anything to break down the provision before the Senate for 90 percent of parity.

I shall in a moment read from the report of his news conference. I think what I am saying is most moderate, and temperate. I wish to say again that I refuse to believe that the votes of any of my colleagues are for sale or barter to this administration or anyone else. I think it is about time we hammered that home. I do not think that minimizes the reflection Secretary Benson has cast upon some of our colleagues by naming them and stating that he expected them to switch their votes as a result of his attempts to influence them.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is it not perfectly and dramatically apparent that he is trying to divide and conquer?

Mr. HUMPHREY. The Senator took the words right out of my mouth. I was about to say it is part of Benson's tactics to divide and conquer. He has been trying to use Senator against Senator. For a long time the laboring man was used against the farmer and the farmer against the laboring man. Now we see the tactics of arraying farmer against farmer.

I read from the Secretary's press conference of February 28, which was reported stenographically by the Federal Reporting Service, in reply to questions as to whether he had made any kind of commitments on any commodity to any Members of Congress:

I have had some very frank discussions with some of them but so far as making firm commitments, there hasn't been a word written. We have just talked—

Mr. President, the written word seldom appears if we are trying to get at lobbying. [Laughter.]

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is it not entirely possible that the facts the Senator is now laying before the Senate would form a basis for indicating at least the possibility that the special committee which was recently selected by the Senate might look into the actions and statements of the Secretary of Agriculture?

Mr. HUMPHREY. I was going to put a statement in the RECORD. I was about to say that reports of what Secretary Benson has said he has done or attempted to do come mighty close to indicating infringement of at least the spirit of the statute to which I referred earlier, namely, title 18, section 1913, lobbying with appropriated moneys—close enough to make it appear necessary to let our new Special Committee on Lobbying look into it closely.

I wish to continue reading from the transcript. The Secretary said:

We have just talked—



Speaking of visiting with Members of Congress—

and I have talked very plain and very frank as to what I thought was needed, particularly in the case of cotton.

In answer to another question the Secretary said:

Well, I don't know. We have gone quite a ways, in which I pointed out what I thought was necessary, and expressed the hope they would go along with that kind of a program, including getting some flexibility in the cotton-support program.

Asked as to whether or not he had made any firm commitment, he said:

Well, I have made no firm commitment. You can put it that way. I have discussed possibilities, and what I thought would be a reasonable thing to do, and what we would be willing to do in this Department.

The Secretary of Agriculture should be the Attorney General. This is lawyer's language. He says "what we would be willing to do in this Department."

That is not a commitment. It is what he is willing to do, which means, "Perhaps you can push me up a little more."

We would be willing to move in this direction if we could get some adjustments in price supports and staple length.

What the Secretary is saying, in substance, is, "We would be willing to move up the price supports on cotton as close to 90 percent as you can get it, so long as you do not say '90 percent.'"

Then he says:

We are going to discuss the staple length.

I will say to my friend from Texas [Mr. DANIEL] that this has quite an effect on Texas. It has quite an effect on Oklahoma. It has quite an effect on Arkansas. We do not raise cotton in Minnesota, but I do not intend to allow the Secretary to divide me and the people I represent in the Senate from our friends in the great agricultural areas of the Southwest and the South. The moment we start to pit cotton against wheat, beef against soybeans or flaxseed, or dairy products against some other products, we become divided, and we have no farm program.

This administration has not believed in an effective price-support program. I have said publicly, and in the confines of our committee, that responsible officials in the Department of Agriculture have said openly that they did not believe in price supports. Those who are administering this program do not believe in price supports. I regret to have to say this, but even if we write the best law the human mind can conceive, if this administration remains in power and Secretary Benson remains on the job, it will be so poorly administered that it will be ineffective. No law is any better than its administration. We may have all the laws necessary on the books to prevent crime, but unless there is a good enforcement officer, a good chief of police, crime will be rampant. We may have a weak law on the books, but if we have a diligent, persevering administrator, good results will be obtained. There is much power in the present law which has not been used. There has not been the will to use it.

Listen further to what the Secretary said in his press conference:

We would be willing to move the adjusting support level at a smaller amount than though we didn't get those things—

That is not a very clear sentence, but I think we can get the idea—

We would be willing to move the adjusting support level at a smaller amount than though we didn't get those things; and we have even talked in terms of what amount.

What the Secretary is saying there is that if he gets what he wants, he is perfectly willing to move the price supports up just a little more, so that they will be palatable.

Let me say to my colleagues, who are here representing their areas and their States, that they should do the best they can, as they see it, for their respective States. They have problems. There are many problems in the cotton industry. But it is not the privilege of the Secretary of Agriculture to create an air of doubt over what we, as Senators, are going to do in connection with this bill.

Furthermore, if the Secretary had any proposals with respect to any particular commodity, he, or his representatives, should have appeared before the Senate Committee on Agriculture and Forestry. If they had anything in particular they wanted to say, 15 members of the committee were sitting day after day and night after night to hear from them. Is it not interesting that this proposal is made only a few days before we vote on the farm bill? Mr. Benson is not much of a Secretary of Agriculture, but I take off my hat to him; he is some politician. He plays rough.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. The Senator mentioned something about Mr. Benson trying to divide Senators from the South and West—a very reprehensible act on his part. I wish to join the Senator from Minnesota, and say that I, for one, will not be taken in by that kind of strategy.

The Senator has also pointed out that Mr. Benson has tried to assign, as the cause for the farmers' plight at present, the fact that workers are getting increased wages. I point out that in New Orleans last September, Mr. Benson went so far as to say that the reason for the plight in which the farmer found himself was the fact that industry was making too much in the way of profits. How thin can he slice it? How much can he get away with? I think we should go into this question very thoroughly, as I am sure the Senator from Minnesota will do—and no one is better prepared to do so—and bring out the facts.

Let us bring out a few facts in connection with parity, high rigid price supports of 90 or 100 percent.

Is it not true that this administration—and the Senator from Minnesota and I voted for it because we believed in it—reintroduced the Brannan plan so that the woolgrowers of this country could get 106 percent of parity at the present time, and be entitled to as much as 120 percent of parity?

Mr. HUMPHREY. In substance that is correct. The principle of compensatory payments, which was the economic

principle of the Brannan plan, is in the wool plan.

Mr. MANSFIELD. Parity for wool is 106 percent at the present time.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. It could go up to 120 percent.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. There is nothing wrong with that. I am in favor of it. Why not put that principle into effect, so that it will be of some benefit to all other farmers?

We all know that parity means subsidy. If we are going to talk about a subsidy to the farmers, why not lay all the subsidy cards on the table and talk about subsidies to railroads, steamship companies, and airlines? Why not discuss the tariff, a form of subsidy which has been in operation for more than 150 years in the interest of businessmen? Why not talk about all these things? In effect, we are discussing the same subject. Why pick on the farmer, who, in the entire concept of our economic life, is the only segment whose income is going down and down? This administration, in the person of Secretary Benson, has said that the farmer can expect a further 6- to 10-percent decline this year. Why not do something to help the farmer, instead of using him as a scapegoat, instead of browbeating him and putting out propaganda publicity for the purpose of beating down the farmer and placing him in a bad light?

Mr. HUMPHREY. The Senator has placed his finger on something which should be discussed, and which we intend to discuss.

The American farmer has been far from the only recipient of beneficial programs on the part of the Government. I have before me a report from the Library of Congress on subsidy payments by the United States Government since 1940, pertaining to the Post Office Department, among others. More subsidy was paid on second-class mail last year than was paid out at any time, in any one year, in all the dairy program, to all our dairy farmers.

One would require a pretty good digestive apparatus to be able to eat a copy of the Reader's Digest and get much nutrition from it. However, one can eat butter and drink milk.

The Reader's Digest is a fine magazine. I am not complaining about the fact that three copies of this magazine can be sent through the mail at a lower rate than is charged on a letter which I write to my mother. I do not write to my mother as often as I should, perhaps, but she has never asked that the letters be longer.

In the February 1956, issue of the Reader's Digest is an article entitled "What To Do About the 'Farm Parity' Fiasco," written by Henry Hazlitt, and condensed from Newsweek. Mr. Hazlitt says:

The myth of a farm crisis has been built up by the farm bloc in Congress.

Mr. Hazlitt, I hope you are here. If you want to find out about the farm crisis, take a little trip with me to Minnesota. First, you will see some beautiful scenery. Second, you will get some



straight economic facts which you do not get out of an office, or out of your prejudice.

To put it frankly, this kind of article burns me up, Mr. Hazlitt goes on to say that—

Certain farm groups, such as hog raisers, face special difficulties.

What delightful language that is. We can all understand, of course, that Mr. Hazlitt does not know the difference between a hog and a corn cob, or he would not make the kind of statements made in this article. Perhaps I should say French poodle, because there seems to be some similarity there.

Then he writes:

But gross farm income was running in the first half of 1955 at the annual rate of \$33.7 billion, compared with an average annual income of \$33.8 billion in the preceding 9 years.

Mr. Hazlitt should know that gross income is one thing, and net income quite another. In the preceding 9 years the prices that farmers had to pay for what they had to buy were very much less. Therefore, gross income gave a net profit. In the first half of 1955, the net profit was slim, indeed.

The tragedy of Mr. Hazlitt's article is that it was written by an economist. It is a good thing that Mr. Hazlitt did not go to the same school I attended, or he would have flunked the course. That is no way for an economist to write. If a Broadway actor wants to say something like that, that is all right, because he is used to exaggerating and to overdramatizing. However, an economist knows better than to talk about gross income in the first half of 1955 as compared with gross income for the preceding 9 years. One can lose his shirt on gross income. What should be considered is net income. That is what is used to pay bills and it is what profits represent.

After the first prejudiced paragraph, the article continues to expand and enlarge upon that general assumption. That is the kind of propaganda which has been broadcast over America. But, Mr. President, it is subsidized propaganda. It is subsidized distortion. It is subsidized misrepresentation.

I challenge any Senator on the floor today to defend that paragraph I have read from the article. The Government is paying the bill to send that kind of material through the mail. It is paying the bill for telling the American people a pack of lies, a pack of distortions. That kind of article puts farmer against city man, and city man against farming man.

When a person is riding in an airplane, and is being bumped around in rough weather, and is trying to hold on to his seat and read that article by Henry Hazlitt, and what Mr. Hazlitt has to say about the American farmers, he is angry in the first place for having taken the ride in the airplane, and then, as he reads the article, and tries to give the impression that he is not scared, he becomes even angrier when he reads about Senators trying to give a handout to farmers.

Mr. President, the only handout involved is the subsidy to a magazine which carries that kind of article.

I have asked the Post Office Department to give me the latest figures on subsidies. In 1952 the subsidy for such mail was more than \$200 million. That is according to the Advisory Committee of the Post Office Department. I want the latest figures, Mr. President.

No segment of our farm economy receives an outright subsidy of \$200 million. Not one segment of our farm economy receives that kind of subsidy. If we include all the commodities, that may be true, but it is not the case if we take one segment, and I am speaking of only one.

That is the kind of trouble we face, Mr. President. It is that kind of an argument we face, as we argue the case for agriculture.

By the way, Mr. President, to whom will the magazine publishers sell their magazines if people do not have enough money to pay for them? Farm people like magazines. There are a great many farm people in my area of the country, and they like to read magazines. We have a great many other people who read magazines and who do business with our farm population. When the people living on the farms are prosperous, the others are prosperous. When farm people have trouble, the others find themselves in difficulty. When farmers have good times, the other segments of the population have good times. All are in the same boat. Therefore we should not talk about a farm program or a farm problem, but, rather, about a national program and a national problem.

I should like to say to my friend the distinguished Senator from Montana [Mr. MANSFIELD] that the other day I said I was going to expose certain myths. For example, there is the myth of 90 percent high rigid price supports. Some people have taken 90 percent and have almost succeeded in making it a nasty phrase. We hear about a 90-percent mortgage guaranty on a house, and about a 90-percent guaranty on a loan. Oh, that is all right. That is wonderful. That is free enterprise. That is delightful. Then we hear about a 90-percent credit loan on a commodity to the American farmers. Oh, that is terrible. That is socialism. That is destroying the farmer's fiber, and it is bankrupting the country.

I should like to have someone tell me the difference between a 90-percent guaranteed loan on a house and a 90-percent loan on a commodity. Someone may say, "Oh, but farmers do not always pay back their loans." Well, that is not unique with farmers. A great many people have not paid their loans. They failed to pay their loans not because they did not want to pay them, but because they could not pay them. Farmers will pay off their loans if they make a profit. However, no living soul can pay off a debt if he does not make enough money with which to pay it off.

What happens when a man does not pay off a loan on his house? The person who loaned the money gets the property. That is exactly the way the Government gets the farmer's crops.

Someone will say, "Oh, yes, but in the case of a price-support loan, if the farmer can get more than 90 percent for his

grain, he can sell the grain. On the other hand, if he gets less than 90 percent of parity for his grain in the open market, he can let the Government take it."

Well, Mr. President, when a man borrows money under a mortgage guaranty, in order to buy a \$15,000 house, if he can sell the house for \$20,000, the Government does not say, "Oh, no; you cannot sell it, because you have a mortgage for 90 percent." The Government, of course, says, "Go ahead, sell your house if you have a chance to make money on the sale." If the man cannot pay off the mortgage, what happens? The lender gets the house.

Mr. President, that practice is as old as the Statue of Liberty. It is thoroughly American. It has been going on for years. The only difference is that some people have taken the farm picture and have made it stand out as though it were a grotesque monster.

Since when do we consider 90 percent to be high when 100 percent is supposed to be level? Apparently the Department of Agriculture has been working from the bed of the Dead Sea. According to that kind of philosophy, 100 percent is fair and level.

Let us consider industry, labor, and farming. So far as industry and labor are concerned, 100 percent is all right for them. However, when we come to the farmer, we say to him, "You get 90 percent. If you can climb up the other 10 percent, that is well and good. However, we will not help you by giving you 100 percent. We will give you 90 percent. When prices drop, we do not want you to drop into the pit, and therefore we will give you 90 percent, and you can scramble up."

That is 90 percent. What is high about that? There is nothing high about it, unless we want to say that it is a little higher than 75 percent. What is fixed about 90 percent? What is the difference between a fixed price at 75 percent of parity and a fixed price at 90 percent of parity? They are both fixed. They are both set for a full crop year, and the parity is set every year.

What is more rigid?

I wish someone would use a measuring device which would show which is more rigid, 90 percent or 80 percent.

What is so rigid about 90 percent that is not rigid about 80 percent? What is so rigid about 90 percent that is not rigid about 60 percent? One is just as rigid as the other.

The truth is that parity itself is flexible. The parity is adjusted all the time. It is like a gyroscope. It is a balance wheel. It adjusts itself all the time. Parity is just another word for equity. Parity is merely another descriptive term for the price the farmer gets for what he sells, as compared with the price he pays for what he buys. That is all it is.

The railroads are given parity rates by the Interstate Commerce Commission. Magazines get parity postal rates from the Post Office Department. Air lines get parity rates. Bankers get bank parity rates from the Federal Reserve System. Trade laws govern independent businesses. Wage laws are in effect for workers. We have unemployment compensation laws on the statute books. We



have fair labor standards acts, Walsh-Healey Acts, Davis-Bacon Acts. We have every kind of act we can think of. What is the purpose of all those acts? The purpose is to accord equity, to provide balance, and to assure stability in our economy. However, for one reason or another, when a Republican administration comes into power, it cannot stand to have the same principle apply to farmers. That is the record. That is the sorry, full record.

I am happy to say that that is not the record of all my Republican senatorial colleagues. I want that to be made crystal clear in the RECORD. Some of them have stood the test. Some of them have fought hard for their people. They have put their country above their party.

However, that principle does not seem to work so far as the top command is concerned. I said the other day, and I will repeat it over and over again, that every time the Republican Party is in power, at least in the beginning of its term, the New York stock market goes up, and the grain and hog and livestock markets go down.

A person could be asleep for 20 years. If he awakened after 20 years, even without reading the newspapers, but merely by looking at the grain market and the New York stock market, he could tell which party was in power. If the New York stock market was up and the grain market was down, he would know that the Republican Party was in power. He would not have to go to school to find that out, or make any extensive studies. He would just know that to be the fact.

I am not opposed to the New York stock market going up. That is fine. That is a part of our American enterprise system. However, I should like to see the other markets go up a little, too.

What seems to have been the philosophy of late, as Mr. Benson explained it, is that one of the problems of American farmers today is the labor cost. What he is apparently suggesting to the American farmer is, in effect, "Mr. Farmer, we have you down in the ditch. We realize that you are getting lonesome down there. Therefore we will get somebody down there with you. We will give you labor to keep you company. So we will put labor in the ditch with you." I suggest it is better to have everyone out of the ditch and up on the grand highway of American abundance, equity, fair play, and plenty. Instead of pushing one down and then looking for someone else to put down with him, because misery loves company, we should get the first one out of the ditch, and keep both out of the ditch.

It is not because the cost of operation has gone up too much that farmers are in trouble. It is not because some people are getting too much. The problem is that some people are getting too little, and those people are the farmers.

A few years ago I pointed out what was going to happen to agriculture. I said it on the floor of the Senate when I made my daily 5-minute remarks during the morning hour in 1953. I said then what would happen to agriculture. Look in the RECORD, Mr. President, and it will be seen that I predicted what would hap-

pen, and it has happened. Every time Mr. Benson made a speech he said things were now stabilized, but agricultural prices went down the next day. I have a full tabulation on that point. I shall not burden the RECORD with it, but it is here and available to any newspaper reporter or any Senator who wishes to see it. Every time the Secretary said the adjustment period was over and the decline had been stopped, prices went down the next day.

I recall, Mr. President, that there were those who scoffed when we talked about the possibilities of a farm decline and a farm depression. We were called prophets of doom and gloom. I remember that three of us were selected for treatment on that subject, the Senator from Illinois [Mr. DOUGLAS], who took most of the abuse, the Senator from Oklahoma [Mr. KERR], and myself. We were called prophets of doom and gloom, because we were pointing out what we thought might happen. Time after time I warned that when a farmer goes broke it makes little difference whether he is a Republican or a Democrat, he is just plain broke. He can have a paid-up membership in a local county Republican club, but when he goes into the bank the chairman of the Republican club is not going to say, "I love you so much that I am going to make you a loan." He will find out how much collateral the farmer has. A farmer can be a good Democrat, but if he is broke and goes to the local bank to ask for a loan, he will be asked, "What is your collateral? What do you have that is worth while?"

So, Mr. President, I only point out that when prices start to go down and income starts to fall, there is no party label upon the consequences.

So, Mr. President, it is not partisan politics we need to talk about in pointing to 1956 as a year of decision. It is legitimate farm politics I am talking about, the fight of American agriculture for survival, through the processes provided in our democracy for translating the will of the people into action, here in this legislative Chamber.

It is the insistence by farmers to be heard in this Chamber, and at the ballot box, if they cannot be heard anywhere else.

Mr. President, I predicted that Mr. Eisenhower would veto the natural gas bill. I thought he would run for reelection. I am predicting now to my friends on the other side of the aisle that if this Congress does not do something to restore our farm economy, there will be, come November, the greatest switch of votes at the ballot box this country has ever known. Farmers are not Republicans or Democrats; they are producers, and they will think of their own interest, as they should, and they will keep books on some of us. They will see how much we think of them, where we stand, and how much we are willing to fight for them.

I told my constituents what I was here to do for them, and I have been trying to keep my promise every day. My distinguished opponent used to say he wanted to go to Washington to help Ike.

I used to say, "Help Ike do what?"

He used to say, "I want to go to Washington to help Ike finish the job."

I said, "On whom?"

I said, "If you want to send somebody to Washington to lower your farm prices, he is the man."

These people kept their faith and trust in me, and I am keeping my faith and trust in them.

The welfare and economic well-being of our agricultural economy is so vital to the long range prosperity and progress of this Nation, and the ability and capacity of our country to give effective international leadership, that this issue can no longer be ignored or dealt with in indecisive or uncertain terms or policies.

We would be foolish indeed to forget the lessons of our history.

American agriculture still maintains a pivotal role in the total national economy. It is the keystone of our economic structure.

That keystone is crumbling, while men in high places in Washington utter pious phrases and slogans to hide their inadequacy or their stubborn unwillingness to meet the realistic needs of our time.

It is bad enough to be wrong, Mr. President, but it is worse to be righteously wrong. There are people who are just plain righteously wrong.

Let us squarely face the cold, harsh facts of our farm economy.

Farmers' total net income is down nearly one-third since 1952. Family farm purchasing power is down at least 25 percent since 1952. Farm population has been squeezed down 9 percent since 1952. The number of farms has been forced down 7 percent. Yet, the average-per-person income from farming, in our population, is down 19 percent.

What is worse, Mr. President, is that the young people are being forced off the land, the young GI veterans, the Korean veterans. They cannot stay on the land. I have an office full of mail from young men who have tried to farm, young men with college educations, trained at our best agricultural colleges. But they have had the price squeeze put upon them so hard that they cannot make it.

The farm population is growing older every single year. I think the average age is now approximately 57 years. Why? Because young men and young women in this day and age are not going to stay on the farm and be treated unfairly. They are going to go to the towns where they think there is a better chance, and where they may better their economic condition.

After years of struggle, farmers got REA so that some of the blessings of modern life could be brought to the farm homes. But, Mr. President, as I go along, I shall show the lack of modern facilities in some of our farm homes. When a young man finds that he has to buy high-priced machinery, high-priced land, and high-priced buildings at fairly high interest rates on long-term commitments, and then the price of his products drops out from under him, he is done. We are permitting them to be driven off the farms by sheer economic attrition.



That is the greatest single tragedy of the farm depression, namely, what has happened to the young men and their young wives and their young families.

The Secretary of Agriculture says, when he is on TV or at other places, that farm land values have not gone down. That is correct. Why? First of all, land values around the cities for the new suburban developments are considered to be in part land of the general farming area. Such land, which was about \$100 an acre then becomes \$2,000 an acre. It is all averaged in with sales of agricultural land.

Furthermore, many a farmer, when he saw what was happening to him, decided to expand his operations in the hope that if he could produce more he could save himself. I am going to show a little later that that is what farmers have been doing.

The administration said it was going to use the miracle formula, namely, flexible price supports, to solve the problem of supply and demand. It did not come anywhere near it. The supply is greater than it has ever been.

The flexible price-support program has not worked, and the price situation is becoming increasingly bad. Farm income and farm prices are still going down. This is the ray of hope to the young farmer: The prophecy for next year is that the situation will be about 6 percent worse than it is this year.

Then the administration wonders why farmers are up in arms. Imagine what would happen if the Secretary of Commerce said to the businessmen, "I am sorry for all you businessmen, but the situation is going to be 10 percent worse next year." He would not be liked any too well. I am quite sure we would hear at least some Senators saying, "We have got to have a change in policy to prevent this thing from happening."

That is what we in the Congress are now faced with—the responsibility of changing the direction of the course of agriculture so that we can move it up to its proper position.

Mr. President, hog prices at the year end were only 50 percent of parity, and the recovery flurry was short lived. They are headed downward again.

Mr. Hazlitt said they were having some difficulty. I do not know whether he wishes to call it difficulty or not, but if someone should cut my income in half, I would call it a major disaster.

There is not a Senator here from an agricultural State who has not received hundreds of letters from hog farmers telling them of the very dire circumstances they face.

Cattle prices continue at a level below 60 percent of parity, in many areas of the country.

Grain sorghums, oats, corn, rye, barley, cottonseed, and many other farm commodities hover at only 60 percent of a fair price.

Our parity index—the accepted standard of fairness in the relationship between prices farmers received and the prices farmers must pay—was down to 80 on January 15—the last report available.

Yet it was at 100, when the elections were held in November of 1952, and this country learned it was in changed hands.

In the face of this drastic and continued decline, Republican spokesmen have the effrontery even today of trying to point back before they assumed the helm of our Government and say much of the decline in farm prices came before they took office.

Perhaps such phrases sound good in Lincoln Day speeches to city folks, but they do not sound good to farmers. They would like to see Secretary Benson worrying more about conditions today than about conditions 3 years ago.

They know he got A in ancient history. They realize that. They would like to have him take a course in contemporary economics and see how he comes out.

Because it is their own pocketbooks which are hit, farmers know there is quite a difference between farm prices declining to 100 percent of parity, and declining far down under 100 percent of parity.

What a peculiar comparison the administration officials like to make. The Republicans say things were beginning to get bad even before they came in. It got so bad the farmer was getting 100 percent of parity. Would that we could be restored to such hard times again. Would that something would happen to get the American farmer back to 100 percent of parity.

The outlook is for more of the same for 1956—another 5, 6, or 7 percent decline. This is not merely my opinion; it is the official forecast from the annual outlook conference of the Department of Agriculture.

Farm prices are going to be still lower, it is said. Farm income is to drop even further.

In the midst of widespread national prosperity to which our colleagues on the other side of the aisle point with pride, farm families are having forced upon them the heavy hand of poverty.

While farmers total net income declined 29 percent, corporation profits after taxes went up 33 percent, dividends went up 19 percent, and interest increased 28 percent.

This is what some Republican economists and orators call the 50-50 treatment—1 horse to 1 rabbit—the farmers getting the rabbit.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation of how farmers are doing, compared with other persons, as compiled from Economic Indicators, published by the President's Council of Economic Advisers.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*How farmers are doing (compared with others)*

[Billion dollars]

|                      | 1952 | 1955 | Percent change |
|----------------------|------|------|----------------|
| Corporation profits: |      |      |                |
| Before taxes.....    | 35.9 | 44.0 | +23            |
| After taxes.....     | 16.1 | 21.9 | +36            |
| Dividends.....       | 9.0  | 11.0 | +22            |

Footnotes at end of table.

*How farmers are doing (compared with others)—Continued*

|                                 | 1952  | 1955  | Percent change |
|---------------------------------|-------|-------|----------------|
| Interest.....                   | 12.3  | 15.8  | +28            |
| Rental income.....              | 9.9   | 10.6  | +8             |
| Business and professional pro-  |       |       |                |
| prietors.....                   | 25.7  | 27.8  | +8             |
| Compensation employees.....     | 190   | 219   | +15            |
| Weekly earnings manufactur-     |       |       |                |
| ing workers (dollars).....      | 68    | 78    | +14            |
| Farmers' total net income.....  | 14.9  | 10.6  | -29            |
| Farmers' total net in-          |       |       |                |
| come.....                       | 16.7  | 10.6  | -37            |
| Per family (1954 dollars).....  | 2,806 | 2,120 | -24            |
| Number of farms (millions)..... | 5.4   | 5.0   | -9             |

<sup>1</sup> 3d quarter annual rate, seasonally adjusted.

<sup>2</sup> September 1955.

Source: Economic Indicators, published by President's Council of Economic Advisers.

Mr. HUMPHREY. Mr. President, this table is from official figures available to the White House. It is on one page. It can be read by everyone. It tells the sad economic story of what has happened to agriculture.

Mr. President, we have heard so much said about preferential treatment of farm people as compared with city people that I ask unanimous consent to have printed at this point in the RECORD a tabulation comparing the earnings of farm people with those of nonfarm people.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Do farm families get parity income? Average per family income from all sources*

|                             | 1950    | 1951    | 1953    |
|-----------------------------|---------|---------|---------|
| Farm operator families..... | \$3,382 | \$3,959 | \$3,450 |
| Nonfarm families.....       | 5,232   | 5,721   | 6,393   |

Source: Survey of Current Business (March 1955), published by Department of Commerce.

*Middle family income<sup>1</sup> of farm families compared with other families, 1952*

[Figures from Bureau of Census; in 1954 Statistical Abstract of United States]

|                             |         |
|-----------------------------|---------|
| City families.....          | \$3,678 |
| Rural town and village..... | 3,408   |
| Farm families.....          | 2,011   |

<sup>1</sup> Half of families in group got more; half less than figure shown.

| Income from all sources                   | 1952  | 1955 <sup>1</sup> |
|-------------------------------------------|-------|-------------------|
| Income per person of people on farms..... | \$949 | \$896             |
| Income per person of nonfarm people.....  | 1,832 | 1,960             |

<sup>1</sup> Preliminary.

Source: Farm Income Situation (November 1955), published by Agricultural Marketing Service, U. S. Department of Agriculture.

|                      | 1952                                 | 1955 <sup>1</sup>                    |
|----------------------|--------------------------------------|--------------------------------------|
| Farm people were.... | 15.5 percent of national population. | 13.4 percent of national population. |
| And received.....    | 8.7 percent of national income.      | 6.1 percent of national income.      |

<sup>1</sup> Preliminary based on 3d quarter 1955 annual rate seasonally adjusted.

Source: Farm Income Situation, published by U. S. Department of Agriculture.

Mr. HUMPHREY. Mr. President, the income per capita of those on farms has been falling, while the income per capita of nonfarm people has been rising.



These figures are from "Farm Income Situation," published by the Department of Agriculture. They show that the income per capita of people on farms has been going down since 1952, while the income per capita of nonfarm people has gone up about the same proportion as the amount of the drop for farm people.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tables based on data from Economic Indicators, published by the President's Council of Economic Advisers, showing that farm family purchasing power has gone down 25 percent since 1952, and down 12 percent last year alone.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Family-farm purchasing power down  
25 percent since 1952*

|                               | 1952            | 1955 <sup>1</sup> | Per-<br>cent<br>change<br>in 3<br>years |
|-------------------------------|-----------------|-------------------|-----------------------------------------|
|                               | Billion dollars |                   |                                         |
| Farm operators' gross income: |                 |                   |                                         |
| Excluding inventory change    | \$36.9          | \$32.2            | -13                                     |
| Including inventory change    | \$37.7          | \$32.5            | -14                                     |
| Farm production expenses      | \$22.9          | \$21.9            | -4                                      |
| Farm operators' net income:   |                 |                   |                                         |
| Excluding inventory change    | \$14.1          | \$10.3            | -27                                     |
| Including inventory change    | \$14.9          | \$10.6            | -29                                     |

<sup>1</sup> Third quarter, annual rate seasonally adjusted.

*Family-farm purchasing power down  
25 percent since 1952—Continued*

|                                                               | 1952    | 1955    | Per-<br>cent<br>change<br>in 3<br>years |
|---------------------------------------------------------------|---------|---------|-----------------------------------------|
|                                                               | Dollars |         |                                         |
| Per farm:                                                     |         |         |                                         |
| Current dollars                                               | \$2,778 | \$2,120 | -24                                     |
| 1954 dollars                                                  | \$2,806 | \$2,120 | -25                                     |
| Number of farms (thousands)                                   | 5.4     | 5.0     | -7                                      |
| Average per-person income from all sources:                   |         |         |                                         |
| Farm population                                               | \$949   | \$896   | -6                                      |
| Percent of nonfarm average                                    | 51.8    | 48.9    | -                                       |
| Nonfarm population                                            | 1,832   | 1,960   | +7                                      |
| Average per-person income from farming: Farm population       | \$698   | \$568   | -19                                     |
| Average per-person income from nonfarmers: Nonfarm population | \$1,812 | \$1,939 | +7                                      |
| People on farms (millions)                                    | 24.3    | 22.1    | -9                                      |
| Nonfarm population (millions)                                 | 132.7   | 143.1   | +11                                     |

Source: Economic Indicators, published by President's Council of Economic Advisers.

*Family farm net income and purchasing  
power down 12 percent from last year*

|                               | 1954            | 1955 <sup>1</sup> | Per-<br>cent<br>change |
|-------------------------------|-----------------|-------------------|------------------------|
|                               | Billion dollars |                   |                        |
| Farm operators' gross income: |                 |                   |                        |
| Excluding inventory change    | \$34.0          | \$32.2            | -5                     |
| Including inventory change    | \$34.4          | \$32.5            | -6                     |
| Farm production expenses      | \$22.2          | \$21.9            | -2                     |
| Farm operators' net income:   |                 |                   |                        |
| Excluding inventory change    | \$11.8          | \$10.3            | -13                    |
| Including inventory change    | \$12.3          | \$10.6            | -14                    |

*Prices received by farmers mostly down from pre-Korea base period*

[Figures from Agricultural Marketing Service, USDA]

| Commodity                                | 1947-49<br>average | Oct. 15,<br>1955 | Percent<br>change,<br>up (+),<br>down (-) | Commodity                                  | 1947-49<br>average | Oct. 15,<br>1955 | Percent<br>change,<br>up (+),<br>down (-) |
|------------------------------------------|--------------------|------------------|-------------------------------------------|--------------------------------------------|--------------------|------------------|-------------------------------------------|
| Wheat.....bushel.....                    | \$2.14             | \$1.94           | -9                                        | Beef cattle.....hundredweight.....         | \$20.20            | \$15.30          | -24                                       |
| Rye.....do.....                          | 1.82               | .926             | -49                                       | Calves.....do.....                         | 22.60              | 16.80            | -26                                       |
| Corn.....do.....                         | 1.64               | 1.14             | -30                                       | Wool.....pound.....                        | .460               | .540             | +17                                       |
| Rice.....hundredweight.....              | 5.38               | 4.60             | -14                                       | Lambs.....hundredweight.....               | 21.90              | 17.40            | -21                                       |
| Oats.....bushel.....                     | .852               | .591             | -30                                       | Sweet potatoes.....bushel.....             | 2.35               | 1.44             | -39                                       |
| Barley.....do.....                       | 1.37               | .909             | -33                                       | All milk, wholesale.....hundredweight..... | 4.42               | 4.34             | -2                                        |
| Grain sorghum.....hundredweight.....     | 2.53               | 1.63             | -36                                       | All chickens, live.....pound.....          | .293               | 2.204            | -30                                       |
| Baled hay.....ton.....                   | 22.40              | 20.50            | -8                                        | Eggs.....dozen.....                        | .466               | .429             | -8                                        |
| Butterfat in cream.....pound.....        | .712               | .569             | -20                                       | Tobacco, types 11-37.....pound.....        | .420               | .550             | +31                                       |
| Cotton.....do.....                       | .312               | .328             | +5                                        | Average of all farm products (index).....  | 271                | 230              | -15                                       |
| Cottonseed.....ton.....                  | 71.60              | 43.50            | -39                                       | Food grains (index).....                   | 246                | 220              | -11                                       |
| Soybeans.....bushel.....                 | 2.84               | 2.08             | -27                                       | Feed grains and hay (index).....           | 230                | 167              | -27                                       |
| Flaxseed.....do.....                     | 5.54               | 2.76             | -51                                       | All crops (index).....                     | 247                | 224              | -9                                        |
| Peanuts.....pound.....                   | .102               | .118             | +16                                       | Meat animals (index).....                  | 334                | 240              | -29                                       |
| Beans, dry edible.....hundredweight..... | 9.92               | 7.04             | -29                                       | Dairy products (index).....                | 275                | 264              | -4                                        |
| Potatoes.....bushel.....                 | 1.48               | .723             | -51                                       | All livestock and products (index).....    | 292                | 236              | -19                                       |
| Hogs.....hundredweight.....              | 21.90              | 14.50            | -34                                       |                                            |                    |                  |                                           |

*Prices received by farmers mostly down since 1952 harvest season*

[Figures from U. S. Department of Agriculture]

| Commodity                                | Oct. 15, 1952<br>price | Oct. 15, 1955<br>price | Percent<br>change<br>up (+),<br>down (-) | Commodity                                  | Oct. 15, 1952<br>price | Oct. 15, 1955<br>price | Percent<br>change<br>up (+),<br>down (-) |
|------------------------------------------|------------------------|------------------------|------------------------------------------|--------------------------------------------|------------------------|------------------------|------------------------------------------|
| Wheat.....bushel.....                    | \$2.07                 | \$1.94                 | -6                                       | Hogs.....hundredweight.....                | \$18.60                | \$14.50                | -23                                      |
| Rye.....do.....                          | 1.74                   | .926                   | -47                                      | Beef cattle.....do.....                    | 22.00                  | 15.30                  | -31                                      |
| Corn.....do.....                         | 1.53                   | 1.14                   | -26                                      | Calves.....do.....                         | 23.80                  | 16.80                  | -30                                      |
| Rice.....hundredweight.....              | 5.76                   | 4.60                   | -20                                      | Wool.....pound.....                        | .50                    | .62                    | +24                                      |
| Oats.....bushel.....                     | .83                    | .59                    | -29                                      | Lambs.....hundredweight.....               | 22.20                  | 17.40                  | -22                                      |
| Barley.....do.....                       | 1.42                   | .909                   | -36                                      | Sweet potatoes.....bushel.....             | 2.94                   | 1.44                   | -51                                      |
| Grain sorghum.....hundredweight.....     | 2.87                   | 1.63                   | -43                                      | All milk, wholesale.....hundredweight..... | 5.30                   | 4.34                   | -18                                      |
| Baled hay.....ton.....                   | 25.60                  | 20.50                  | -20                                      | All chickens, live.....pound.....          | .242                   | .204                   | -17                                      |
| Butterfat, in cream.....pound.....       | .735                   | .569                   | -23                                      | Eggs.....dozen.....                        | .504                   | .429                   | -14                                      |
| Cotton.....do.....                       | .3703                  | .328                   | -12                                      | Average of all farm products (index).....  | 282                    | 230                    | -19                                      |
| Cottonseed.....ton.....                  | 70.70                  | 43.50                  | -39                                      | Food grains (index).....                   | 240                    | 220                    | -9                                       |
| Soybeans.....bushel.....                 | 2.71                   | 2.08                   | -23                                      | Feed grains and hay (index).....           | 219                    | 167                    | -24                                      |
| Flaxseed.....do.....                     | 3.73                   | 2.76                   | -26                                      | All crops (index).....                     | 260                    | 224                    | -14                                      |
| Peanuts.....pound.....                   | .111                   | .118                   | +6                                       | Meat animals (index).....                  | 328                    | 240                    | -27                                      |
| Beans, dry edible.....hundredweight..... | 8.48                   | 7.04                   | -17                                      | Dairy products (index).....                | 316                    | 264                    | -17                                      |
| Potatoes.....bushel.....                 | 2.11                   | .723                   | -66                                      | All livestock and products (index).....    | 301                    | 236                    | -22                                      |

*Family farm net income and purchasing  
power down 12 percent from last year—Con.*

|                                     | 1954    | 1955 <sup>1</sup> | Per-<br>cent<br>change |
|-------------------------------------|---------|-------------------|------------------------|
|                                     | Dollars |                   |                        |
| Per farm:                           |         |                   |                        |
| Current dollars                     | \$2,413 | \$2,120           | -12                    |
| 1954 dollars                        | \$2,413 | \$2,120           | -12                    |
| Number of farms (millions)          | 5.1     | 5.0               | -2                     |
| Per-person income, people on farms: |         |                   |                        |
| From farming                        | \$653   | \$568             | -13                    |
| From all sources                    | \$913   | \$896             | -2                     |
| Nonfarm people: All sources         | \$1,837 | \$1,960           | +7                     |
| Farm population (millions)          | 21.9    | 22.1              | +1                     |
| Nonfarm population (millions)       | 140.5   | 143.1             | +2                     |

<sup>1</sup> Third quarter, annual rate, seasonally adjusted.

Source: Economic Indicators, published by President's Council of Economic Advisers.

Mr. HUMPHREY. Mr. President, farm income cannot be separated from farm prices. Family farm income will not go up while prices are still going down. I therefore ask unanimous consent to have printed at this point in my remarks three tables showing the trends in farm prices on individual commodities, with the source of the figures used in each table designated thereon.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:



## Average prices received by farmers for farm products, United States

| Commodity and unit                     | Dec. 15, 1954 | Nov. 15, 1955 | Dec. 15, 1955 | Commodity and unit                    | Dec. 15, 1954 | Nov. 15, 1955 | Dec. 15, 1955 |
|----------------------------------------|---------------|---------------|---------------|---------------------------------------|---------------|---------------|---------------|
| Wheat.....dollars.....                 | 2.12          | 1.94          | 1.95          | Hogs.....dollars.....                 | 17.00         | 12.20         | 10.60         |
| Rye.....do.....                        | 1.14          | .897          | .944          | Beef cattle.....do.....               | 15.20         | 14.10         | 13.50         |
| Rice (rough).....do.....               | 4.63          | 4.63          | 4.62          | Calves.....do.....                    | 15.70         | 15.70         | 15.90         |
| Corn.....do.....                       | 1.39          | 1.09          | 1.15          | Sheep.....do.....                     | 5.69          | 5.37          | 5.51          |
| Oats.....do.....                       | .767          | .605          | .62           | Lambs.....do.....                     | 17.50         | 17.20         | 16.50         |
| Barley.....do.....                     | 1.09          | .919          | .920          | Butterfat, in cream.....cents.....    | 58.1          | 57.2          | 57.7          |
| Sorghum.....do.....                    | 2.22          | 1.67          | 1.72          | All milk, wholesale.....dollars.....  | 4.33          | 4.43          | 4.35          |
| Hay, all baled.....do.....             | 23.30         | 20.80         | 21.30         | All chickens, live.....do.....        | 17.4          | 20.0          | 18.8          |
| Cotton, American upland.....cents..... | 32.67         | 32.42         | 31.19         | Farm chickens, live.....do.....       | 14.3          | 17.8          | 17.8          |
| Cotton, American-Egyptian.....do.....  | 63.3          | 53.9          | 53.3          | Commercial broilers, live.....do..... | 19.2          | 21.5          | 19.4          |
| Tobacco, types 11-37.....do.....       | 50.0          | 52.5          | 57.2          | Turkeys, live.....do.....             | 29.6          | 30.3          | 31.1          |
| Cottonseed.....dollars.....            | 59.60         | 44.30         | 45.00         | Eggs.....do.....                      | 32.7          | 43.4          | 47.1          |
| Soybeans.....do.....                   | 2.57          | 2.06          | 2.11          | Wool.....do.....                      | 50.5          | 39.0          | 39.2          |
| Peanuts.....do.....                    | 12.5          | 11.7          | 11.9          | Adjusted for seasonal variation:      |               |               |               |
| Flaxseed.....do.....                   | 3.04          | 2.80          | 2.84          | Butterfat, in cream.....cents.....    | 55.3          | 56.1          | 55.0          |
| Potatoes.....do.....                   | 1.05          | .829          | .817          | All milk, wholesale.....dollars.....  | 3.97          | 4.06          | 3.99          |
| Sweetpotatoes.....do.....              | 2.54          | 1.68          | 2.03          | Eggs.....cents.....                   | 29.2          | 38.1          | 42.4          |
| Beans, dry edible.....do.....          | 8.34          | 6.96          | 6.80          |                                       |               |               |               |

Source: Agricultural Prices (Dec. 30, 1955) published by USDA.

Mr. HUMPHREY. Mr. President, I think my colleagues would be interested if I noted for the RECORD a few of the commodities. For example, take the 1947-49 average as compared with the October 1955, prices.

Let us take, for example, corn. Corn has dropped 30 percent. Rye has dropped 49 percent. Wheat is down 9 percent. Flaxseed is down 51 percent. Soybeans are down 27 percent. Cottonseed, per ton, is down 39 percent. All chickens, live, are down 30 percent. All butterfat in cream, per pound, is down 20 percent. Grain sorghums are down 36 percent.

The great State of Texas produces a large amount of grain sorghums. I am proud to be associated in the offering of an amendment by the junior Senator from Texas [Mr. DANIEL] and other Senators, including the senior Senator from Texas [Mr. JOHNSON], which will do much for the feed grain producers. That amendment will be called up at the proper time. It would restore some of the balance in the feed grain price situation.

Mr. President, it is not pleasant for any Senator to witness a drop of 46 percent in the price of any single commodity of his State. Of course, Senators representing their constituencies will want to do something about this condition. I hope there will be enough support to have the amendment placed in the bill. We came very close to adopting it in the committee; in fact, if the amendment in the committee had been prepared then as carefully as the amendment which the junior Senator from Texas [Mr. DANIEL] finally prepared it, I am certain it would have been adopted in the committee.

The PRESIDING OFFICER (Mr. DANIEL in the chair). The present occupant of the chair appreciates the kind words of the junior Senator from Minnesota, and sincerely hopes the Senate will adopt the amendment we have sponsored.

Mr. HUMPHREY. I am sure that if logic and reason shall prevail, the amendment will be agreed to.

While farm prices have been tumbling, prices paid by farmers have still been going up.

We have heard a great outcry from the Secretary of Agriculture lately, about the cost side of the farm cost-price squeeze.

Yet it is interesting to note that costs have not risen anywhere near the percentage income and prices to farmers have fallen.

It would appear wiser for the Secretary of Agriculture to concentrate more on boosting farm prices and income to meet current costs, instead of trying to bring the rest of the economy down to the farmer's depressed level.

And of all the costs confronting the farmer, those rising the most have been interest rates and taxes. Between October 15 of 1952 and October 15 of 1955, for example, the index of interest paid by farmers went up 27 percent.

During the same period the index of prices paid by farmers for farm machinery went up only 4 percent.

If Mr. Benson is so worried about farm costs, perhaps he had better start at the point where costs are the greatest burden—and where Government policy can either ease or contribute to that burden. I am referring to interest rates. All I can recall Secretary Benson doing about interest rates is to raise them.

These interest rates are established in Washington by the Department of the Treasury and the Federal Reserve Board. I go back to some of the early days of this administration. One of the first things done by the Eisenhower administration was to raise the interest rates, which are price supports for money. The administration raised the interest rates in order to tighten credit. After the interest rates had been raised to the stratosphere, the administration said, "Now let us loosen up on the credit. Now that we have raised the interest rates, let the folks borrow all the money they want at the new high rates."

That is why the profits of the investment and commercial banks have been unprecedented under this administration. If any one of those fine institutions does not support this administration, it is an ingrate. Of course, such institutions ought to support the administration. Prior to the advent of the Eisenhower administration, they were doing well; they were getting rich. Now they are doing extra well and getting rich twice as fast. They, of course, ought to support this administration.

I myself would not accept their support. I am against their high interest

rate policy. I would do anything I could to cut it down. This is no secret; I have said so privately and publicly many, many times.

All I can recall Secretary Benson's doing about interest rates is that he raised them. But he is the same man who said that the farmer was in a price-cost squeeze. One of the reasons why the cost of farm operations has gone up is that interest rates to the farmers have risen 27 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, a tabulation of the index of prices paid by farmers, taken from Agricultural Prices distributed by the Agricultural Marketing Service of the United States Department of Agriculture.

There being no objection the table was ordered to be printed in the RECORD, as follows:

Prices paid still rising—Index of prices paid by farmers  
[1910-14=100]

| Item                                                                             | Oct. 15, 1952 <sup>1</sup> | Oct. 15, 1955 <sup>1</sup> | Percent change, up (+) or down (—), since Oct. 15, 1952 |
|----------------------------------------------------------------------------------|----------------------------|----------------------------|---------------------------------------------------------|
| Taxes.....                                                                       | 353                        | 409                        | +16                                                     |
| Interest.....                                                                    | 107                        | 136                        | +27                                                     |
| Clothing.....                                                                    | 301                        | 310                        | +3                                                      |
| Autos and auto supplies.....                                                     | 282                        | 292                        | +4                                                      |
| Farm machinery.....                                                              | 310                        | 321                        | +4                                                      |
| Farm supplies.....                                                               | 284                        | 265                        | -7                                                      |
| Building and fencing.....                                                        | 350                        | 365                        | +4                                                      |
| Fertilizer.....                                                                  | 157                        | 152                        | -3                                                      |
| Household operation.....                                                         | 190                        | 198                        | +4                                                      |
| Motor supplies.....                                                              | 157                        | 163                        | +4                                                      |
| Motor vehicles.....                                                              | 358                        | 365                        | +2                                                      |
| Cash wage rates.....                                                             | 506                        | 518                        | +2                                                      |
| Household furnishings.....                                                       | 276                        | 271                        | -2                                                      |
| Building material, house.....                                                    | 381                        | 396                        | +4                                                      |
| Average production items:                                                        |                            |                            |                                                         |
| That farmers buy from nonfarmers.....                                            | 268                        | 269                        | ( <sup>2</sup> )                                        |
| All items.....                                                                   | 269                        | 246                        | -9                                                      |
| Average of family living items:                                                  |                            |                            |                                                         |
| That farmers buy from nonfarmers.....                                            | 274                        | 282                        | +3                                                      |
| All items.....                                                                   | 269                        | 274                        | +2                                                      |
| Average production items, interest, taxes: That farmers buy from nonfarmers..... | 263                        | 273                        | +4                                                      |

<sup>1</sup> Or latest available data.<sup>2</sup> Less than 1 percent change.

Source: Agricultural Prices, Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. HUMPHREY. Mr. President, the tabulation I have placed in the RECORD



is official Government information. Mr. Benson knew what these tables showed when he started to make speeches in which he tried to place the blame for the farm problem on the wrong people. He could have stated, for example, what his own departmental figures revealed.

The price of farm machinery has risen 4 percent since 1952. The cost of automobiles and automobiles has risen 4 percent; clothing, 3 percent. The price of

fertilizer has fallen 3 percent. Supplies are up 4 percent; interest up 27 percent; taxes up 16 percent. Those are the taxes which farmers paid for putting in new roads and building new schools in the consolidated school areas.

I sometimes wonder whether the speech writers in the Department of Agriculture ever get together on statistics with the statisticians or the economic advisers.

Mr. President, to give us a better picture of farm price trends over the years, I ask unanimous consent to have printed at this point in the RECORD a tabulation tracing the average market prices received by farmers for various commodities back to 1929.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Average market price received by farmers*

|                                             | 1929   | 1932   | 1933   | 1934   | 1935   | 1936   | 1937   | 1938   | 1939   | 1947   | 1949   | 1952   | 1955 <sup>1</sup> |
|---------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|
| Wheat, per bushel.....                      | \$1.04 | \$0.38 | \$0.74 | \$0.85 | \$0.83 | \$1.03 | \$0.96 | \$0.56 | \$0.69 | \$2.29 | \$1.88 | \$2.99 | \$1.92            |
| Barley, per bushel.....                     | .54    | .22    | .43    | .69    | .38    | .78    | .54    | .37    | .41    | 1.70   | 1.04   | 1.35   | .90               |
| Flaxseed, per bushel.....                   | 2.81   | .88    | 1.63   | 1.70   | 1.42   | 1.90   | 1.87   | 1.59   | 1.46   | 6.15   | 3.63   | 3.72   | 2.74              |
| Oats, per bushel.....                       | .42    | .16    | .34    | .48    | .26    | .45    | .30    | .24    | .31    | 1.05   | .66    | .79    | .56               |
| Rye, per bushel.....                        | .86    | .28    | .63    | .72    | .40    | .81    | .69    | .34    | .44    | 2.26   | 1.21   | 1.73   | .87               |
| Sorghum grain, per hundredweight.....       | 1.32   | .54    | .91    | 1.70   | .98    | 1.66   | .88    | .70    | 1.02   | 3.27   | 2.00   | 2.80   | 1.67              |
| Beef cattle, per hundredweight.....         | (2)    | 4.25   | 3.75   | 4.13   | 6.04   | 5.82   | 7.00   | 6.54   | 7.14   | 18.40  | 19.80  | 24.30  | 15.60             |
| Beef calves, per hundredweight.....         | (2)    | 4.95   | 4.64   | 4.92   | 7.16   | 7.20   | 8.10   | 7.90   | 8.40   | 20.40  | 22.60  | 25.80  | 16.80             |
| Eggs (farm price), per dozen.....           | (2)    | .14    | .14    | .17    | .23    | .22    | .21    | .20    | .17    | .45    | .45    | .42    | .44               |
| Hogs, per hundredweight.....                | (2)    | 3.34   | 3.53   | 4.14   | 8.65   | 9.37   | 9.50   | 7.74   | 6.23   | 24.10  | 18.10  | 17.80  | 15.70             |
| Butterfat in cream, per pound.....          | (2)    | .18    | .19    | .23    | .28    | .32    | .33    | .26    | .24    | .72    | .62    | .75    | .57               |
| All milk, wholesale, per hundredweight..... | (2)    | 1.28   | 1.30   | 1.55   | 1.74   | 1.93   | 1.97   | 1.72   | 1.68   | 4.27   | 3.95   | 4.85   | 4.16              |
| Wool, per pound.....                        | (2)    | .09    | .21    | .22    | .19    | .27    | .32    | .19    | .22    | .42    | .49    | .54    | .40               |
| Potatoes, per bushel.....                   | 1.32   | .38    | .82    | .45    | .59    | 1.14   | .53    | .56    | .70    | 1.61   | 1.28   | 1.96   | .71               |
| Soybeans, per bushel.....                   | 1.88   | .54    | .94    | .99    | .73    | 1.27   | .85    | .67    | .81    | 3.33   | 2.16   | 2.72   | 2.00              |
| Cottonseed, per ton.....                    | 30.93  | 10.35  | 12.91  | 33.03  | 30.54  | 33.30  | 19.50  | 21.79  | 21.14  | 85.90  | 43.40  | 69.60  | 43.70             |
| Sweetpotatoes, per bushel.....              | 1.12   | .47    | .68    | .75    | .67    | .92    | .78    | .70    | .73    | 2.16   | 2.14   | 3.38   | 1.42              |
| Lamb, per hundredweight.....                | (2)    | 4.47   | 5.04   | 5.90   | 7.28   | 8.05   | 8.88   | 7.05   | 7.78   | 20.50  | 22.40  | 24.30  | 17.70             |
| Rice, rough, per hundredweight.....         | 2.22   | .93    | 1.73   | 1.75   | 1.60   | 1.84   | 1.47   | 1.42   | 1.62   | 5.97   | 4.10   | 5.87   | 4.50              |
| Corn, per bushel.....                       | .80    | .32    | .52    | .82    | .66    | 1.04   | .52    | .49    | .57    | 2.16   | 1.25   | 1.53   | 1.24              |
| Peanuts, per pound.....                     | .04    | .02    | .03    | .03    | .03    | .04    | .03    | .03    | .03    | .10    | .10    | .11    | .12               |
| Tobacco, per pound.....                     | .18    | .11    | .13    | .21    | .18    | .24    | .20    | .20    | .15    | .44    | .46    | .50    | .52               |
| Beans, dry edible, per hundredweight.....   | 6.82   | 1.97   | 2.77   | 3.52   | 2.95   | 5.37   | 3.10   | 2.56   | 3.25   | 11.60  | 6.59   | 8.67   | 7.07              |

<sup>1</sup> September 15, 1955.

<sup>2</sup> Not available.

Mr. HUMPHREY. Mr. President, this table includes commodity prices up to September 15, 1955; and a most revealing document it is, too. Hog prices are lower this year than they were at any time since the period of the 1940's.

I could go on reviewing such depressing statistics for the next hour, and filling the RECORD with supporting evidence. There are plenty more of them, and they are all bad.

I have made certain charges on the floor about the economic situation of those engaged in agriculture. I have supported my charges by statistics taken from official Government records. They are not merely my figures. They are the official statistics of the agricultural marketing service of the Department of Agriculture, and are taken from Economic Indicators, published by the President's Council of Economic Advisers. They have been made available for Ezra Taft Benson to read and study, just as much as they are available to me or to anyone else.

The simple truth is that every valid economic indicator confirms the fact that agriculture is in trouble—serious trouble. I know I need not prove this to our farmers in Minnesota, or the farmers in your home States. They know all too well, from personal experience. Their own bankbooks and farm records provide all the depressing statistics they need.

Yet, I am recounting them for the RECORD for the sake of those skeptics who have stubbornly refused to demonstrate any concern as to what is happening to the foundation of our economy—the very bloodstream of our economic

life out in the great Midwest, the Far West, and the South.

When some of us tried to warn the country 2 years ago where agriculture was headed, we were openly scoffed at. We were called "prophets of doom." We were assured everything was all right; it was just a "temporary adjustment," they kept saying.

That was done with regard to our foreign policy, too. This administration says, "Hear no evil, see no evil, speak no evil. Just put on rosy glasses. Just smile. These things are not really happening," so the administration says. Everything is really going to be simply wonderful.

Well, the facts are to the contrary, and one does not have to be a pessimist to face the facts; he merely has to be a realist.

When propaganda machines are grinding out favorable comments about the administration and the President, setting forth how wonderful everything is, and how wonderful everything will be, I know it is pretty hard to say, "But look what is happening to agriculture."

The easiest answer is to say, "It isn't so," and then have publications like the Reader's Digest carry thousands of copies of distorted misinformation. There have been such articles in similar publications. The articles simply say it is not true.

After all, only about 13 or 14 percent of the people are now living on farms, so if one desires, if it is his will, he can ignore what farm people are saying and believe only what they want to believe.

That is what the Senator from Arkansas [Mr. FULBRIGHT] was talking about

earlier today with regard to our foreign policy. We are told that world conditions are much better, that they are all right, and we are told that continually, except that all the specific information leads us to believe conditions are not so good. Then when persons say they are not so good, they are told that they have no faith, that they have no confidence, that they are pessimists. Well, there is a difference between being a pessimist and being a fool. It is all right for people to face facts and then be a little pessimistic, but the man who refuses to face the facts is a plain fool.

The temporary adjustment to which I was referring is still adjusting, apparently—and always downward.

When we became even more concerned over trends a year ago, some people in high places still scoffed. We were already at the bottom of the decline, they said; everything was going to be rosy from here on out. It was all just politics, according to them—just an attempt to create a statistical depression. It was not supposed to be real.

Well, I ask my colleagues today: Have you asked the farmer in your State whether his loss of income during the past year has been real, or have you tried to convince him his shrinking buying power is just statistical?

That kind of fancy talk may be all right for appointive officers in the Department of Agriculture, but I doubt if many Senators can get by with it out among their farmer constituents.

Mr. President, I mentioned some time ago that I had some quotations from statements of the Secretary of Agriculture when he was painting a rosy pic-



ture. The first meeting at which he spoke was in St. Paul, on February 11, 1953. He said:

A drastic drop in cattle prices was in progress as we came into office. We hope you approved of the steps taken to stabilize the cattle markets.

Ten days later he said:

Markets have stabilized. People are again eating beef. The Department of Agriculture expects no major price changes for the next several months.

Of course, you know, Mr. President, that each week conditions became worse.

On April 7, 1953, at the Chamber of Commerce in Denver, Colo., the Secretary said:

Our analysts anticipate that prices of farm products during the spring and summer will be steady.

He ran out of paper. He should have said, "Will steadily decline." Then he would have been more accurate.

Then the Secretary said on October 21, 1953, at the National Retail Farm Equipment Association in Chicago:

There are soft spots in the agricultural economy. They are being firmed up.

Then at the annual convention of the National Grange in Burlington, Vt., the Secretary said:

This has been a difficult year. But I firmly believe that most of the price adjustments have now been made. The situation has become fairly stabilized. The outlook for next year is for continued stability.

Mr. President, since that statement was made, farm income has dropped about 18 or 20 percent. I think I mentioned the date of that last speech. It was in November 1953. In November 1953, parity was 90 percent, and the Secretary said that the outlook for the next year was for continued stability. A year later parity was 87. Stability sort of leaned to the port side, Mr. President.

A little later the Secretary said:

I believe 1953 has marked the turning point in the right direction.

That was December 16.

At the National Farm Bureau, in Chicago, Ill., he said:

Nineteen hundred and fifty-three has marked the turning point in the right direction.

I do not want to indicate that Mr. Benson thinks lower farm income is the right direction, but he was really quite a prophet at that point, in terms of the direction in which the farm economy was moving.

Mr. President, when we have a Secretary who thinks everything is rosy and jim dandy, he is not going to do anything. I have three pages of clippings from the Secretary's speeches, from 1953 through the middle of 1955. Every time he spoke he said, "It is just wonderful. It has been getting better. It has been stabilized. We are over the worst. The adjustment has been made."

I was in Des Moines, Iowa, in the latter part of October. The front-page story in that city was "Secretary Benson Says Price Decline Stopped."

Poor fellow. The next 2 days the Department of Agriculture announced

that there had been another 2 point drop in the parity ratio.

I want to make a friendly suggestion to the Department of Agriculture. Why do not the speech writers get together with the economists and the statisticians? I think there was a disservice done to the Secretary. Those who help write the addresses never check with the research division, and that puts the Secretary in a rather untenable position. He finds himself time after time predicting that everything will be well, and, of course, it turns out a few days later that the situation is a little worse than anybody anticipated.

For example, True D. Morse, Under Secretary of Agriculture, on the 16th of November, 1954, at the conference of bank correspondents at the First National Bank, St. Louis, Mo., said:

Adjustment problems of farmers will be less severe in 1955 and for the years ahead.

Well, 1955 was about the roughest year farmers ever had. I hope Mr. Morse never goes into the prognostication business. Those bankers must have been pretty unhappy with him. That would have been a better speech to have been made to people who are a little more willing to have some inaccuracy govern their lives.

Then we note that on February 1, 1955, a little over a year ago, Mr. True D. Morse, speaking at Lexington, Ky., said:

The most drastic adjustments are over.

That is not the way the cattle and hog farmers of my State feel. Hog prices in February, 1955, were fairly good. The cattle and hog producers started to be hurt about the summer and fall of 1955.

The loss has been real enough for the thousands of farmers who have been forced to the wall.

It is real enough, too, for the small town businessman who has felt the decline of farm purchasing power.

And, at long last, it appears real enough to scare some previously unconcerned public figures who now see another election around the corner.

But all these charts I have submitted for evidence are just statistics, and national averages, one may say. Perhaps they present a distorted picture.

Out our way, we were not satisfied with just looking at USDA statistics, particularly when officials of even the USDA did not believe them enough to do anything about it.

Farmers are people, with the same desires, aspirations, and problems as anyone else. They work hard, earn as much as they can, do their best to keep ahead of the bills they have to pay, and hope to have something left over to send their children to college or provide some of the normal comforts of modern living accepted as commonplace elsewhere in our country.

One of the great Midwest cooperatives, itself making a constructive contribution to farm-family living by sound group marketing, set out to find out just how our farm families were getting along.

I am referring to the GTA family-farm survey, conducted by the Farmers Union Grain Terminal Association of St.

Paul, with which I am sure at least some of my colleagues are familiar.

It was a unique adventure on the part of a farmers' cooperative to get an actual audit of a cross section of family farms, as a basis for reexamining and reforming farm policy.

The main body of this report consists of the findings of a confidential and very careful survey of 4,321 farm operations. The survey avoided estimates in regard to receipts and expenditures in the farm business. Instead, it makes use of the very same data that farmers submitted to the Bureau of Internal Revenue.

It has required a full year to make and present this farm survey to the Congress and the public.

In my opinion, the survey fills a big gap in the Nation's knowledge of agriculture, and should be of tremendous value in shaping the necessary legislation to protect America's historic family-type agriculture.

The sole purpose of this GTA survey was to find out how the typical family-operated farms have fared in five Midwestern States, namely, the States of Montana, Minnesota, Wisconsin, North Dakota, and South Dakota, during the 5 years from 1950 through 1954.

The findings primarily throw light on the trends in gross income, costs and net returns of the grain, livestock, and dairy farmers of the Dakotas, Montana, Minnesota, and Wisconsin.

As M. W. Thatcher, general manager of the GTA, explains in his introductory remarks to the study before the Senate Committee on Agriculture and Forestry:

These findings help explain why, in the face of unprecedented national prosperity, we are witnessing the most rapid annual decline in farm population and in the number of family-operated farms.

Mr. President, I ask unanimous consent to have placed in the body of the RECORD at this point some excerpts from Mr. Thatcher's introductory remarks for this survey, followed by a brief explanation of why the GTA survey was conducted, how it was conducted, and a summary of the facts revealed.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM INTRODUCTION BY M. W. THATCHER, GENERAL MANAGER, GRAIN TERMINAL ASSOCIATION

"This rapid decline is the inevitable consequence of two powerful forces: (1) declining gross farm receipts produced in large measure by the policy of lowering price supports, and (2) a persistent advance in costs of farm production.

"The administration's farm policy, deliberately sold to the consumer as being in his interest, has forced farm prices down. Parity prices for many important farm products have been 'modernized' downward, and the Secretary of Agriculture has in virtually every discretionary action entrusted to him by the Congress lowered price supports.

"In large measure, you can trace the trouble in dairying, livestock production and grain farming to this price support cutting. This administration's program of flexible prices (always flexible downward) has lowered income wherever applied. It has taken income away from dairy farmers. It has taken income away from hog and cattle producers who were induced by downward-



flexed feed prices to produce beyond market requirements, tumbling real prices of livestock to the lowest levels in 20 years.

"The persistent advance in farm costs is due to the ever-expanding power of business, manufacturing, finance, transportation, and labor over the prices of their products, aided by State and Federal legislation as well as by their own powerful organizations. There is no foreseeable hope whatever that this trend will be reversed. Every official forecast is for further increases in the price farmers must pay for nonfarm goods and services.

"The GTA survey findings for the years 1950-54, inclusive, verify our fears for the survival of family-type farming as we now understand it. And it appears, that, when we complete tabulations of 1955 farm cost and income records, the results will show a further setback for farmers. Furthermore, based on the Department of Agriculture's own estimates, the situation will be even worse in 1956.

"As you review the material and graphs relating to these findings, you will find that the stated objective of Congress—to provide parity income for farmers—has not been realized. On the farms in this five-State area there is clearly a farm recession, and a state of anxiety approaching that of the thirties.

"Based on the survey, the farm families of this area are in economic danger. Our findings lead us to believe that—

"Only the largest family farms can survive under today's prices and even these will not be able to maintain their farms and homes as they have been.

"Medium and small family farms will either be heavily mortgaged or lost to big operators.

"Only a few more years like the present will eliminate many of the younger farmers, many of whom are GI's trying to make a home for their growing families.

"Congress must act quickly or we shall see a further substantial decline in the number of farm families and a further rise in large-scale farming. We believe this would not be in the best national interest."

#### WHY THE GTA SURVEY WAS CONDUCTED

GTA is dedicated to serving farm families. That is its only reason for being. Consequently, it has always worked for national policies to enhance the take-home pay of the family-operated farm.

GTA, in carrying out its obligations to its patrons, speaks out aggressively on legislation affecting farmers. There has been and is a lack of information on the financial situation of family-type farming. To meet this need, GTA conducted an intensive survey to find out how the average farm family in the Northwest is doing. These findings are now available to the public and to Congress, an essential information in considering what should be written into the farm policy of this Nation.

The findings of this survey make up the body of this report. Here is information long needed. The survey answers such questions as these:

1. What has been happening to gross-farm receipts on farms in the Dakotas, Minnesota, Montana, and Wisconsin since 1950?
2. What has happened to farm costs of production and why?
3. What has the typical family-operated farm been earning on the capital it has invested in the farm plant and on the labor put in by the farmer and his family?
4. How do these earnings compare with rewards for capital, labor, and management in other occupations?
5. What are the reasons for the accelerated decline in number of family farms and the continuing rise of large-scale farming?
6. To what extent are farmers living on their depreciation allowances?

7. What is going to happen to farmers' ability to hold on to their farms if the level of farm prices is pushed down still more?

8. What has happened to the purchasing power of farmers' take-home pay?

9. What do farmers have in the way of home facilities and how does their standard of living compare with that of city people?

10. What do farmers need in the way of farm improvements, repairs, and equipment as a potential market for industrial production?

The answers to these and other questions are contained in the findings of this survey. They show the precarious condition of the typical family-operated farm in these States producing grain, livestock, and dairy products. The results of the study enable us to judge the economic and social impact of current national policy aimed at bringing down the level of farm prices still further.

#### HOW THE GTA SURVEY WAS CONDUCTED

From the outset, the board of directors and management of GTA were determined that the survey be expertly planned and conducted to get the real facts as to what was happening to the family-operated farm. It was a painstaking task in which guesses as to farm receipts, expenses, and net income had no place.

GTA dedicated a considerable sum of money to make possible a careful job. To draw up the questionnaire (a copy of which will be found at the end of this book), great care was taken. Economists from several State agricultural colleges and elsewhere, experienced accountants and survey specialists discussed and decided upon the questions to be asked.

To direct the assembling of the information, a well-known firm of certified public accountants, Strand & Roe, of Minneapolis, was retained.

It was decided that it would be necessary to go right out into the field and talk to farmers, face-to-face, about their farming business. It was decided, too, that the Federal income-tax reports filed by farmers would be the basic source of information as to how the farm family was getting along, the first time this has ever been done.

The tax returns provide data as to money receipts from the sale of farm products, even greater detail as to actual out-of-pocket expenses, and the reserve set aside for depreciation. This material, obtained from the tax return, is the hard, factual core of the survey.

The field auditors, on the average, spend about a half day with each farm family, usually going over records right at the kitchen table. The four-page questionnaire also secured additional facts on the farm family's investments, debts, inventories, facilities, hours worked, ages of members, and other social data.

These auditors were farmers carefully selected on the basis of ability. They were given intensive training to assure accuracy in obtaining the needed information. At the close of each day's work, the interviewer forwarded his completed questionnaires for the day to the GTA home offices in St. Paul. Name sheets were removed, and each questionnaire given a number so as to respect the confidential character of the information. Electronic tabulating equipment was used to speed the compiling of accurate tabulations of findings.

In order to obtain typical family farms that would be representative, it was decided to conduct the survey in 6 counties in each of the 4 States, Minnesota, North and South Dakota, and Montana. In Wisconsin, five counties were covered. Small-sized farms of 30 acres or less were not included.

Care was taken to choose counties that would best give information on typical family operated farms and an accurate portrayal of average conditions for the State as a whole.

In the counties in 4 of the States, cooperation of about 11 percent of the farms was secured. (Montana, 12.1 percent; North Dakota, 11.6 percent; South Dakota, 11.3 percent; Minnesota, 8.4 percent.) In Wisconsin, where farms are more numerous, a 4.5 percent representation in 5 counties was obtained. All counties had larger samples than are usually statistically required for adequate representation.

#### A SUMMARY OF THE FARM SURVEY

This survey was made during the first half of 1955. Very detailed reports for the 5 years 1950-54 were made for 4,321 farms in Wisconsin, Minnesota, the Dakotas, and Montana. This is one of the Nation's best farming areas, with a large part of the national production of livestock, dairy products, and grains. Only family operated farms were selected, and they were larger than average in the 29 counties sampled. The sample represents 10 percent of the farms in the selected counties.

1. For 1954 these typical better-than-average family farms had well under half of parity returns as compared with returns to city labor and city businesses of similar skill or investments. Long hours of labor by wives and children are being donated without pay, and capital amounting to scores of thousands of dollars going unrewarded. The returns for 1955 will undoubtedly be lower, and for 1956 still lower yet.

2. Income from 1954 operations (including food raised for home and before paying any income tax due) was only \$2,531, about \$200 per month, or \$50 per week.

3. This income came from some \$8,400 from sales and home use of farm products, less \$4,600 operating expenses and \$1,300 depreciation charge to maintain farm equipment.

4. The average investment required to farm was \$42,000 including a farm home with insurable value of \$5,000 and some \$14,000 of equipment and stock. In early 1955 debts of some \$4,000 stood against this average farm. The investment varied from an average of \$26,000 in the lowest counties to \$115,000 in the county having the highest average.

5. The farmer, his wife, and children from the age 8 up, reported work on farm production totaling over 5,000 hours during 1954. Reducing the labor required to the barest minimum for efficient, able-bodied men, the farm family put in the equal of 3,300 man-hours, with much more on dairy farms. This is at least 75 percent more than the standard city work year of 2,000 minus sick time and holidays other than 2 weeks vacation.

6. Income for 1954 would return only 77 cents per man-hour with no return for a \$42,000 investment. This is well under half the average factory wage in this area of \$1.70 per hour. Or if only 5 percent is allowed as a fair return on investment, then only \$449 remained as pay for labor performed, or 14 cents per man-hour. Returns from city businesses are yielding over two times as much on a similar investment. Neither estimate of farm returns includes anything for highly-skilled management of businesses with assets ranging from around \$20,000 to over \$150,000 apiece. Private farm management services for this purpose would cost from \$500 to \$1,500 depending on size of farm.

7. The returns for 1950-54 show depressed conditions throughout the entire period except for limited areas in years of exceptional yield. Prices received by farmers have gone down while everything they must buy has gone up. Farmers have increased production to attempt to make ends meet, thereby driving prices still lower. 1954 returns were about 25 percent lower than 1950, itself a badly depressed year for farmers. Further price declines in 1955 and indicated for 1956 will make these income figures still smaller, and raise the size of mortgages.



8. As of the time of survey, farmers reported they needed an average of about \$5,000 per farm for repairs, new equipment and new buildings needed for farming.

9. Many farm homes were lacking some of the most essential facilities, such as running water or central heating, which have been enjoyed by city people for a generation or longer. Insurable valuation of farm homes indicates many new homes are needed and very few have been built since 1920. Average needs for housing and home equipment are 2 or 3 times what is needed for farm production.

10. If farmers were making fair income, they would provide a tremendous market for capital goods, estimated to be at least \$5 billion just in these 5 States.

11. The low incomes brought about by low prices, as revealed by this survey, go far to explain the startling loss of farm homes now shown by the 1954 United States census. In these 5 States, between January 1950 and the fall of 1954, 38,000 farm homes have disappeared. That means one family in 13 gave up trying to live the life of their training and choice. In 1955 more farm homes have disappeared, and the prospect for 1956 is bleak. Our figures show that even the bigger-than-average family farms are in difficulties.

12. Nearly half of the farms had been taken over since the war by their present operators. Now, many older men are near retirement. With present depressed conditions, their farms will go to the biggest operators instead of to younger men. Many more farm homes will be wiped out unless drastic steps are taken to aid family farms.

Mr. HUMPHREY. Mr. President, I have just asked and received consent to have the descriptive material relating to the GTA survey placed in the RECORD. That includes a summary of the farm survey, a description of how the survey was conducted, and a section relating to the introductory remarks of Mr. M. W. Thatcher, general manager of the Grain Terminal Association. I have the survey in my hand. It is an excellent document. It is authentic. The description of how the survey was conducted will reveal that a substantial sum of money was expended to hire certified public accountants to make an analysis of the income tax returns from 1950 through 1954, and some in 1955, so that the accurate economic picture could be developed.

Mr. President, I commend this entire survey to my colleagues for careful study. I understand copies have been made available to each Senator. Others can be provided to those interested in knowing just what is happening to our farm families in these five Midwestern States.

The summary already placed in the RECORD shows that the average investment of the 4,321 farms studied was \$42,000, with an average of 3,300 man-hours of labor put in annually on each by the farm family.

Yet the income from 1954 operations, including food raised for home and before paying any income tax due, was only \$2,531—about \$200 per month, or \$50 per week.

That seems to me not to be a very adequate profit. How many Senators would be satisfied with such a return on a \$42,000 investment, plus 3,300 man-hours of work?

I wish Mr. Henry Hazlitt, or anyone else who has made snide, half-truth comments about American agriculture and its economic difficulties, would look over this document.

To doublecheck this study and determine if it is really typical of our mid-western farms, the representative character of the selected counties and the GTA's distribution of farms surveyed, by size of acreage, was compared with 1954 census figures.

Mr. President, I would like to place at this point in the RECORD a table showing that comparison.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Comparison with census for countries, distribution of farms by size*

| [Percent]                 |            |        |
|---------------------------|------------|--------|
|                           | GTA survey | Census |
| Montana:                  |            |        |
| 30 to 259 acres.....      | 5          | 9      |
| 260 to 499 acres.....     | 11         | 13     |
| 500 to 999 acres.....     | 27         | 25     |
| 1,000 acres and over..... | 57         | 53     |
| North Dakota:             |            |        |
| 30 to 259 acres.....      | 9          | 17     |
| 260 to 499 acres.....     | 37         | 36     |
| 500 to 999 acres.....     | 39         | 33     |
| 1,000 acres and over..... | 15         | 15     |
| South Dakota:             |            |        |
| 30 to 259 acres.....      | 27         | 36     |
| 260 to 499 acres.....     | 35         | 33     |
| 500 to 999 acres.....     | 22         | 17     |
| 1,000 acres and over..... | 16         | 14     |
| Minnesota:                |            |        |
| 30 to 139 acres.....      | 16         | 23     |
| 140 to 219 acres.....     | 37         | 34     |
| 220 to 499 acres.....     | 41         | 38     |
| 500 acres and over.....   | 6          | 5      |
| Wisconsin:                |            |        |
| 30 to 139 acres.....      | 38         | 50     |
| 140 to 219 acres.....     | 39         | 31     |
| 220 to 499 acres.....     | 22         | 18     |
| 500 acres and over.....   | 1          | 1      |

Mr. HUMPHREY. It will be found that the figures which were developed in the GTA survey were all on the conservative side, as compared with the Census Bureau figures of the Department of Commerce.

That table reflects fairly close agreement as to distribution of farms, according to size, in each of the States surveyed. Another comparison usefully made was between the average value of land and buildings as given by the census, and the averages obtained in the GTA survey for the selected counties.

Mr. President, I ask unanimous consent to have placed at this point in the RECORD a brief table showing that comparison, and a third comparison between the census and GTA survey distribution of farms according to the value of products sold in 1954.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Average value, land and buildings, 1954*

|                   | GTA survey | Census   |
|-------------------|------------|----------|
| Montana.....      | \$47,000   | \$56,000 |
| North Dakota..... | 24,000     | 23,000   |
| South Dakota..... | 31,000     | 31,000   |
| Minnesota.....    | 27,000     | 25,000   |
| Wisconsin.....    | 17,000     | 13,000   |

*Distribution of farms by value of products sold in 1954*

|                   | Value of products sold, 1954 | Percent of farms |        |
|-------------------|------------------------------|------------------|--------|
|                   |                              | GTA survey       | Census |
| Montana.....      | \$250 to \$2,499.....        | 3                | 11     |
|                   | \$2,500 to \$9,999.....      | 46               | 49     |
|                   | \$10,000 and over.....       | 52               | 40     |
| North Dakota..... | \$250 to \$2,499.....        | 5                | 21     |
|                   | \$2,500 to \$9,999.....      | 75               | 65     |
|                   | \$10,000 and over.....       | 20               | 14     |
| South Dakota..... | \$250 to \$2,499.....        | 3                | 18     |
|                   | \$2,500 to \$9,999.....      | 65               | 61     |
|                   | \$10,000 and over.....       | 32               | 21     |
| Minnesota.....    | \$250 to \$2,499.....        | 6                | 18     |
|                   | \$2,500 to \$9,999.....      | 72               | 61     |
|                   | \$10,000 and over.....       | 22               | 21     |
| Wisconsin.....    | \$250 to \$2,499.....        | 11               | 11     |
|                   | \$2,500 to \$9,999.....      | 82               | 70     |
|                   | \$10,000 and over.....       | 7                | 19     |

Mr. HUMPHREY. A final comparison was made between census data and the GTA average expenditures listed for gasoline and oil, for feed, for equipment, and for rental, for the surveyed counties. Because these comparisons emphasize the validity of the sampling for the rest of the GTA, Mr. President, I ask unanimous consent that this other comparative table appear at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Average expenditures, gasoline and oil, 1954*

|                   | GTA survey | Census |
|-------------------|------------|--------|
| Montana.....      | \$1,051    | \$955  |
| North Dakota..... | 848        | 788    |
| South Dakota..... | 769        | 709    |
| Minnesota.....    | 591        | 561    |
| Wisconsin.....    | 367        | 325    |

*Average expenditures for feed and equipment rental, 1954*

|                   | Feed expenditure |        | Equipment rental |        |
|-------------------|------------------|--------|------------------|--------|
|                   | GTA survey       | Census | GTA survey       | Census |
| Montana.....      | \$236            | \$503  | \$275            | \$687  |
| North Dakota..... | 204              | 376    | 133              | 310    |
| South Dakota..... | 502              | 690    | 315              | 408    |
| Minnesota.....    | 1,029            | 1,347  | 204              | 238    |
| Wisconsin.....    | 903              | 908    | 143              | 166    |

Mr. HUMPHREY. The only purpose of the tables is to ascertain the validity and accuracy of the statistical information which is now presented in the GTA family-farm survey for the years from 1950 through 1954.

While the income and expense figures revealed by this GTA survey are significant enough, I want to emphasize, Mr. President, that they are based on 1954 earnings.

Every indicator we have shows that these farm people were hit even harder during 1955.

Among the many fundamental facts about family-operated farms emphasized in this comprehensive survey was the large investment required in land, buildings, machinery, and inventory in crops and livestock.



The minimum investment required for farming today is large compared to what is required for substantial city businesses which support their owners on a level far above any to be found on the farm.

Just as families cannot farm without an investment, so they cannot stand this increased overhead when prices are by design forced to drift or drop to lower levels.

The heavy investment required in modern farming presents the typical family-operated farm with the kind of problem many faced in the early 1920's and early 1930's. In those decades, many farms were heavily mortgaged and then went bankrupt, pulling banks and other businesses down with them when prices were allowed to collapse.

The necessarily heavy investment in farming today holds an even greater threat in a period of declining prices than did the heavy mortgages in the 1920's and 1930's. Farmers can go broke much faster today than ever before.

Another significant fact was developed by this study, regarding the length of time the farm-family operator has been on the farm being surveyed.

They found that as of the first part of 1955, 65 percent of the farms surveyed were taken over since 1940. By now, this percentage is above two-thirds. About 20 percent of the farms had been occupied since 1940-44, and 45 percent during the 10-year period, 1945-54. As the survey itself comments:

Thus, many of the typical family farms are committed to investments made during the last 10 years of high land values and high capital costs. A sustained higher price level is as vital to these and all farmers as a sustained wage level is to industrial workers and a sustained consumer income level is to business in general.

I think this is a very important fact, and it should be well understood. It is not fair to compare the drop in farm income today with the drop in farm income in any other period, primarily because the investment involved in a farming operation today is an investment which was accumulated during high cost periods. Therefore, if prices are not a fairly high level, there is no chance in the world for the farmer to survive.

It used to be that a young man could enter upon farming in Minnesota, back in the 1930's, for \$2,000 or \$3,000 working capital. No young man or young woman would think of going into farming today without a minimum investment of from \$10,000 to \$15,000. We figure, on the average, that a reasonably good amount of capital with which to start a farm in our State today is \$20,000. The farmer must buy high-priced equipment. He cannot pasture his tractor. He must have gasoline or fuel oil. So any drop in farm prices and farm income can have disastrous consequences.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a tabulation showing when farmers occupied present farms in the five States covered by the survey.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

When farmers occupied present farms

|                   | Before<br>1940 | 1940-44 | 1945-54 |
|-------------------|----------------|---------|---------|
| South Dakota..... | 31.2           | 21.1    | 47.7    |
| Minnesota.....    | 32.1           | 18.5    | 49.4    |
| North Dakota..... | 36.7           | 23.2    | 40.1    |
| Wisconsin.....    | 37.0           | 16.8    | 46.2    |
| Montana.....      | -----          | 18.8    | 40.2    |
| 5 States.....     | 35.0           | 19.9    | 45.1    |

Mr. HUMPHREY. Mr. President, the GTA survey also shows the lack of opportunity for young people to start in farming, and the resultant increasing percentage of older farmers.

Mr. President, I ask unanimous consent to have published at this point a portion of the survey entitled "Family Type Farming Declines."

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

#### FAMILY TYPE FARMING DECLINES

The widening gap between farm and non-farm income, the inadequate returns for capital and labor, as shown on the farms surveyed by the GTA, throw much light on certain revelations of the 1954 agricultural census, particularly those relative to the decline in the number of family-operated farms. Those Americans concerned with preserving the family farm as a necessary basis of American life, have had their fears greatly heightened by the more-than-usual decline in farm population since 1950, and the continued rise in large-scale farming. The failure of the family farm to hold its own in the face of sagging prices, rising costs, and limited acreage, clearly spells a decline in the number and position of owner-operated family farms. This is always the result when the cost-price squeeze in agriculture makes it more difficult or impossible for farmers to hold on.

Farm population is shrinking much faster than ever before. It has always done so relatively, but in recent years there has been an absolute decline of startling proportions. Between the depressions of 1921 and 1930, farm population declined from 32,123,000 to 30,529,000, or at the rate of 150,000 per year. Between the depressions of 1932, and 1942, farm population declined from 32,393,000 to 29,234,000, or at the rate of 316,000 per year. The first 2 years of our participation in World War II took nearly 4 million people out of agriculture, or at the rate of 2 million per year. Between 1949 and 1954, the farm population has declined from 25,954,000 to 21,890,000 or at the rate of 813,000 per year. This is a sharper decline than in any peacetime period.

In the five States surveyed by the GTA, as well as elsewhere, this decline in farm population shows up also in a decline in the number of farms. Wisconsin shows a drop of 9 percent in the 5 years, 1949-54; South Dakota a drop of 6 percent; Minnesota a drop of 8 percent; North Dakota, a drop of 5 percent; and Montana, a drop of 6 percent.

This shrinkage in the number of farms has resulted in an increase in the size of farms, particularly among the larger farms. In Montana, where 1,000 acres is not a large farm on dry land, the number of farms with 1,000 acres or more has now risen to about 40 percent, compared with 34 percent 10 years ago. In North Dakota, the proportion of farms of 500 acres or more has risen from 45 percent in 1945, to 51 percent, and in South Dakota the proportion has risen from 30 percent to 34 percent.

Undoubtedly, family-operated farms, as well as others, have increased their holdings in recent years, but we do not know to what

extent. Judging, however, from the distribution of farms by size of income, we infer that most of the increase in large-sized farms is not typically family operated.

In Wisconsin, the 1954 census shows 3.7 percent of all farms with gross receipts over \$25,000, compared with only 0.7 percent in 1949. Minnesota shows an increase from 1.3 percent to 2.5 percent. In North Dakota, the percentage rose from 2.3 percent to 2.9 percent, and in Montana, from 6.8 percent to 10.6 percent.

The GTA survey shows the lack of opportunity for the young people to start farming has a great deal to do with the increase in size of farms. With very low returns and high investment needed, only established farmers can take over available land. The GTA survey found only 1 or 2 farms per 100 operated by farmers under 25 years of age, and only 14 percent to 21 percent under 35 years of age. On the other hand, 18 percent to 21 percent were between 55 and 64 years old, and 6 percent to 12 percent over 65.

Age of farm operators in GTA survey  
[Percent of all operators]

| Age              | Wisconsin | Minnesota | North Dakota | South Dakota | Montana |
|------------------|-----------|-----------|--------------|--------------|---------|
| Under 25.....    | 1.9       | 1.0       | 0.9          | 0.9          | 2.1     |
| 25 to 34.....    | 11.8      | 16.1      | 16.5         | 20.2         | 17.9    |
| 35 to 44.....    | 32.8      | 31.9      | 28.2         | 27.2         | 30.4    |
| 45 to 54.....    | 24.7      | 26.7      | 30.0         | 25.3         | 21.1    |
| 55 to 64.....    | 20.6      | 18.1      | 18.4         | 18.7         | 16.2    |
| 65 and over..... | 8.2       | 6.2       | 6.0          | 7.7          | 12.3    |

Soon, most of the farm operators over 65 years of age will be retiring on such savings as they may have and on social security. In 5 years perhaps as many as one-sixth of all farms will be taken over either by a new farmer, or one already farming. If present conditions are not greatly improved, young people are not going into farming, so this large acreage will go to others already farming to enlarge their holdings. If present trends continue, most of this land will go to the biggest operators to make them still bigger, thereby further weakening the position of family farms.

Mr. HUMPHREY. Mr. President, I commend the reading of the survey to my colleagues, because it shows what is happening to the family-type farms of America. I should like to quote one sentence from the survey, as follows:

Soon, most of the farm operators over 65 years of age will be retiring on such savings as they have and on social security. In 5 years perhaps as many as one-sixth of all farms will be taken over either by a new farmer, or one already farming. If present conditions are not greatly improved, young people are not going into farming, so this large acreage will go to others already farming to enlarge their holdings. If present trends continue, most of this land will go to the biggest operators to make them still bigger, thereby further weakening the position of family farms.

Mr. President, a great deal has been said about family farms. I do not suppose anyone can say how many acres comprise the average family-size farm. The best way we can identify a family farm is to say that that kind of farm is run by a family, that a family operates it and tills the soil. Perhaps it is done with the help of one hired man. That is a family farm. That family farm has been the backbone of rural America. It has been the backbone of every State in the Union.

Do Senators know what is going to happen to the country if the number of family-size farms continues to di-



minish? It will mean that the small towns—where boys and girls have an opportunity to grow into manhood and womanhood—will be finished. It will mean a greater concentration of population in metropolitan centers, with all the problems which come with metropolitan living. It will mean that the little church one sees on the crossroads will be just a shell of a building, with no congregation. It will mean that the local government institutions—the small township governments that have been so important to the whole experience of democracy—will be obsolete and will no longer form an institution of government.

It will mean that the good, wholesome, challenging experience of living in the rural areas of America will be done away with.

I have been somewhat perplexed by our Government's policies relating to agriculture and to foreign relations. Many Senators heard President Gronchi, of Italy, speak at a joint meeting of the House and the Senate today. The President of Italy pointed out that the Italian people have made considerable progress in their land-reform program.

What did he mean by that, Mr. President? He meant that in Italy, in order for free government to survive, they have got to go back to the family type of farm; have got to get away from the big feudal estates, the big plantations. All over the world where democracy has been extinguished or real freedom never lived, it will be found that there is a land pattern which approximates the old feudal baronies of the middle ages. Wherever there is a country which is trying to become free and democratic, one of the first actions of the government is to break up the landed estates. General MacArthur did a magnificent job of that in Japan. That was the first task to which he set himself.

In South Vietnam we are having some of the best experts of this Government breaking up the land holdings, that the French colonial system had, as a pattern of agricultural activities.

Every country that is in trouble, or every country where freedom does not live, has a land pattern of large land accumulations, small baronies, so to speak, and huge estates. In some places they are privately owned.

In Russia they are owned by the State. It does not make any difference whether it is state collectivism or private collectivism, it is still collectivism.

The only difference is that when it is state collectivism, the government collectivizes it, and when it is private collectivism it means that some economic lord collectivizes it. This Government is spending many millions of the taxpayers' dollars to establish family farming all over the world, taking dollars away from our own farmers to send experts all over the world, to make loans and grants to get family farming. Right here in the United States the same Government, by its policies, is destroying family farming. The same Government, by its policies, is aggravating the collection of land into larger and larger units,

driving the young people elsewhere, making it unprofitable for young men and young women to live on our farms.

Ask a member of the State Department or of the International Cooperation Administration why we are spending money and sending people to country after country to divide up the land to have land reform, and he will say it is because it is sound political and social practice for those countries.

Ask this question: "Now, Mr. State Department, maybe those folks over in Italy could operate more efficiently at lower costs per unit of production if they had bigger land holdings."

What will the answer be? The answer will be, "That may be true, but it is more important that people live on the land and own the land on which they live than it is to have cheap production or efficient production."

Yet the same Government, in another department, will go out into the countryside and say that farming is big business. That is what one of the assistant secretaries said. He said, "We have to face up to it. It is big business." Very frankly stating that the family farm is on its way out.

Representatives of the Department of State are going around the world and telling people, "What you need to do is to have family farms. We will help buy them. We will send people to show you how to get them."

Perhaps those are some of the people that the same Government has driven off the farms in the United States who are being sent overseas.

If anyone can make any sense out of this jumbled mess, I wish he would give us a logical statement as to our policies.

Of course, it can be pointed out that it may be more efficient to have a 2,000-acre farm with huge machines and hired help, frequently hired Mexicans, Jamaicans, imported labor; all too frequently. We can produce commodities at a lower unit cost, but what do we do to people? What kind of a country are we going to have if this is the way we are going to act, if this is the policy we are going to pursue?

Mr. President, I have never defended the family farm on the basis that it can produce a commodity at less cost than can a big operation. I am not interested in cheapness. I do not want cheap agriculture, cheap people, or a cheap country. There is something else in life than being efficient. We can look through the Old Testament and the New Testament, Mr. President, the Sermon on the Mount, and the Ten Commandments; we can look through every book of Holy Scripture, or the writings of Thomas Aquinas or John Locke; we can go back to the writings of Socrates and Cicero, and come down through the Declaration of Independence, the Emancipation Proclamation, and the Constitution of the United States, but we will never find the word "efficiency." That word has been made "holier than thou" by the Republican National Committee.

I want all students of Holy Scripture to show me one word in the Bible about efficiency. There is a great deal about justice and love; there are words about

compassion and charity. There are words about evil and good. But the word "efficiency"? No. That is not there, because efficiency is a byproduct. We do not seek that as our main goal. We seek the good life; we seek a sound social structure and a good social order.

Mr. President, if some of the policies now being pursued are continued, we will drive thousands and thousands of people off the land in the States of Mississippi, Minnesota, and others of our States.

Where will those persons go? There are already serious social problems and economic problems in many of those areas. The cities are already overcrowded. Where is the tenant farmer going to go, whether he be white or black? Where will he make a living? He does not want to go on relief. But if we continue the present kind of program and policy now being pursued, he will have to go on relief. He will be in the cities, living in hovels in the slums.

A man can live on a little farm. He may not make too much money, but he can breathe the fresh air. He can bring up his family under good, wholesome conditions. He can go fishing and not have to fish in a polluted stream. He can have a place for his children to work rather than to loiter on the streets. Family farming has something to it besides dollars. It is a way of life. It is important to have enough dollars to sustain the farm and to provide some of the necessities and a modicum of the luxuries of life.

This Senator has always worked on the theory that if some people are entitled to 2 months in Florida or in the Caribbean, or somewhere on a yacht, then everyone is entitled to 2 weeks in a rowboat. Up my way we like to go canoeing. If men are willing to work—and if there is any group of people who work hard it is our farm people, who work hard and long—I happen to believe they are entitled to at least a fair shake, that the cards ought not to be stacked against them, and that one thing they should have a right to expect is a spokesman in this Government for their interest.

One of the reasons why I am speaking today, Mr. President, is because there are people in Minnesota who believe in me, and I will not let them down. I receive letters by the hundreds. Here is one which I picked up at random, which says, among other things:

We have heard plenty of speaking over TV by Benson giving his side of the story, favoring flexible support. Now let's hear the other side.

Would appreciate it if you would give a talk on 90-percent supports and a general discussion of agriculture. We heard you talk at Albert Lea and again at Waseca. We feel that you are one of the best speakers to do this.

Sincerely,

HENRY WALSER,  
Minnesota Lake, Minn.

I have thousands of letters, Mr. President, and I serve notice on editors, publishers, and commentators that when they start picking on those people they have got a bear by the tail, namely, HUBERT HUMPHREY, because I intend to



fight for their interests. I know those people. They have never asked for a free ride in their lives, and they have never received one. But they are not asking to have the train derailed half way down the track, either, and have to get out of the debris of the wreck.

Mr. President, I have in my hand a report from Buckeye, Hardin County, Iowa, stating that they went on record last week as favoring 90 per cent price supports and compensatory payments on perishable commodities. There are 132 farmers in Buckeye Township, and of that number 118 signed the petition.

These are folks who get together and talk over their problems. They are people who know their land. Most likely they have a mortgage on it, too, but they are working the land and are trying to pay off the mortgage. They are people who are doing their own talking. They did not have to read that two-bit ad. Of course, it cost a lot more; I was only giving its qualitative worth. Those people did not have to read that ad about Ike's nine-point farm program. They had 10 points before Ike ever thought about a farm program. These farmers have been farming the land in the Midwest for generation after generation.

If Mr. Eisenhower and Mr. Benson could see the mail I am getting, believe me, Mr. President, they would know there was something afoot in that section of the country. I cannot read some of the mail into the RECORD, because the rules of the Senate prohibit my doing so. These are modest, temperate persons, but they have a full head of steam on right now.

One farmer sent me a three-point program, and started out by telling me he had always been a Republican, but he now had three points for a farm program: Vote Democratic, restore 90 percent of parity, and fire Benson. I agree with all three points. That is a very good program.

Mr. President, I ask unanimous consent to have the entire document prepared by the 118 farmers of Hardin County, Buckeye Township, Iowa, printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**BUCKEYE, IOWA.**—While the debate in Congress rages over "flexible versus rigid" when it comes to price supports, 9 out of 10 farm operators in Buckeye Township, Hardin County, Iowa, went on record last week as favoring:

1. Ninety percent price support on storable commodities.
2. Compensatory payments on perishable commodities.
3. Whatever production controls would be necessary to achieve the first two objectives.

There are 132 farmers operating farmland in Buckeye Township. Of that number, 118 signed a petition addressed to their congressional representatives endorsing those 3 major objectives. The percentage is 89.4 in favor of the petition.

Five farm operators out of the 132 refused to sign the petition because they felt that the 90-percent supports were too high. Eight did not sign because they were either undecided or had no opinion. Three signed but

said 90-percent supports were too low. One did not sign for "other reasons." Only 2 farm operators in the township were not contacted; 1 of these was out of the State when the poll was taken on February 22 and 23. Some operators living outside the township but farming land within the township were included in the survey.

The survey was conducted by teams of 2 farmers in each of the 9 school districts in the township.

Leonard E. Hoffman, Ellis Township farmer and seed grower, flew into Washington, D. C., on Sunday night where he is presenting the results of the survey to various members of the House and Senate where proposed agricultural legislation is now being debated.

The idea to poll Buckeye township grew out of a "cracker barrel" discussion among farmers congregated in the combination Buckeye post-office and drug store. The poll was not sponsored by any particular farm organization and Farmers Union, Farm Bureau, and NFO members all participated. A Farm Bureau spokesman, however, said that the big majority of those taking the poll were not bureau members.

Buckeye township has never been a strong Farm Bureau township. Wayne Halstead, Farm Bureau fieldman, said that there are 43 Farm Bureau memberships in the township at the present time and there would be more before the drive was completed. Last year there were 57.

Hoffman, who is on the State Farmers Union committee, said that there were 65 Farmers Union memberships in the township at the present time. Otis Liittschwager, Buckeye township farmer and former member of State FMA committee, served as chairman of the informal meeting which was held to organize the poll. Myron Thomas served as secretary.

At a followup meeting, it was voted by the farmers attending to have Hoffman present the results of the poll to congressional Representatives, the Secretary of Agriculture, and presidential assistant Sherman Adams.

The petition circulated read as follows:

"We the undersigned, all qualified farm operators in Buckeye township, Hardin County, Iowa, respectfully request that all Senators and Representatives in the United States Congress who are concerned with agricultural welfare thoughtfully consider the following petition for the good of both producer and consumer:

1. That 90 percent parity price supports be restored to all storable commodities.
2. That there be enacted into law a program of compensatory payments for all perishable commodities selling at less than 90 percent of parity, similar to that already in effect for wool and sugar.
3. That since the above proposals cannot be effectively administered without both production controls and a sound long-range soil-conservation program that will assure a continued abundance of food and fiber we pledge our support to such controls and conservation program. A good many farmers made some additional comment when signing the petition. One remarked that "in addition to controls some sort of cross compliance would be necessary."

One, not signed, said that "90 percent is too high; it will hamper our foreign trade."

One farmer said that "I am not in favor of 90 percent supports, but I do favor the soil bank 100 percent."

One farmer commented that he "wouldn't join the Farm Bureau because flexible price supports wouldn't work and 90 percent of parity would cost too much."

This is a breakdown of the poll by each of the nine school districts in Buckeye township:

|            | Number of farmers signing | Number of farmers believing 90 percent too high | Number believing 90 percent too low, but signing | Undecided or no opinion | Other reasons |
|------------|---------------------------|-------------------------------------------------|--------------------------------------------------|-------------------------|---------------|
| 1.....     | 15                        | 0                                               | 0                                                | 0                       | 0             |
| 2.....     | 10                        | 0                                               | 0                                                | 1                       | 0             |
| 3.....     | 15                        | 1                                               | 0                                                | 0                       | 0             |
| 4.....     | 7                         | 3                                               | 0                                                | 3                       | 0             |
| 5.....     | 13                        | 0                                               | 3                                                | 0                       | 1             |
| 6.....     | 18                        | 0                                               | 0                                                | 0                       | 0             |
| 7.....     | 14                        | 1                                               | 0                                                | 1                       | 0             |
| 8.....     | 16                        | 0                                               | 0                                                | 0                       | 0             |
| 9.....     | 10                        | 0                                               | 0                                                | 3                       | 0             |
| Total..... | 118                       | 5                                               | 3                                                | 8                       | 1             |

The farmers who conducted the poll were Dale Kellogg, Bennie K. Hall, V. R. Blome, M. E. Hyland, Gus Lettow, Henry Daum, Jr., Myron L. Thoms, Orville Knutson, Cecil O. Engelson, G. C. Kinney, Carl Brockett, Darrel Sielaff, Kenneth Berndt, Robert Hoffman, and Sig Halsve.

Mr. HUMPHREY. Mr. President, if any of my city friends think the farmers do not know what they are talking about, let them take time to read the resolution of these farm families. They know what is going on. They know what they are talking about. There may be a lot of support for flexible price supports, but it is not in that area.

I pride myself on being able to count. I have been in the rural areas. I can go for mile after mile in State after State and know that the overwhelming majority of the farm families are for 90 percent of parity. They are willing to accept control if only they can make an honest living.

I get a big bounce out of some of the surveys which are taken on flexible price supports. The interviewers will go to a beauty parlor and ask the operator, "Are you for flexible price supports or not?"

One would expect the beauty parlor operator, who constantly has to face the demand for long hair one year and short hair the next year, to be for a flexible price-support program.

The interviewers then ask an insurance salesman if he is for flexible price supports. The insurance man has read the Reader's Digest, Harper's Weekly, or Life magazine editorials. He bases his answer on such distorted information. I have in my folder such editorials from the leading newspapers in the State of Minnesota. I have a number of them. They are all for the Benson farm program. The editorial comment of the Minneapolis Star, the Minneapolis Tribune and the St. Paul Pioneer Press Dispatch are all for the Benson farm program.

Editorial writers know about as much how to operate farms as farmers know how to operate newspapers. Let anyone go into the country and get a farmer to write a good editorial on how to operate a newspaper. It will be just about as successful as the editorials are on how to operate farms.

The people of Minnesota have not been listening to the editorial comments of these newspapers—and they are fine newspapers. If the people had been



paying attention to the editorial comments of those newspapers, I would not be here. As a matter of fact, if the people had believed the editorial comment of the newspapers, they would really have expected Eisenhower and Benson to give them 100 percent of parity, because that is what those newspapers said in 1952 would happen.

But I welcome the opposition of the press. When they start supporting the program which I favor, I shall begin to reexamine the program I am supporting. I would rather have one letter from a small farmer at home in Minnesota than 10 of these editorials. I have before me on the desk many nice letters. They really make me feel good. One letter says:

Please stick to the farm program you have now before the Senate. The President's and Benson's plan is not helping us small farmers. We have a 120-acre farm, started after the war as a GI.

Yours truly,

LEONARD SHERMAN.

Leonard, you can rest assured that I will stand by the 90-percent price-support program.

Here is a letter from Lakefield, Minn.:

DEAR SIR: The Senate Agriculture Committee turned out a good farm bill. It should be passed by a large majority. I would have liked to have corn kept as basic, and premium payments on hogs under 200 pounds up to \$3 a hundred. I farm in Jackson County, Minn.

CLARENCE K. TALLMAN.

That county is on the Iowa border. It used to be hard to find there anybody who would vote on my side of the fence. It is not hard now, Mr. President. I have a fine group of friends there. I intend to be there, by the way, the coming weekend, in the vicinity of Albert Lea, in Jackson County.

Here is a letter from Walnut Grove, Minn., a lovely area of the State. It is an intriguing name. A lovely walnut grove is exactly what used to be there. The letter, addressed to me, says:

I am strongly against flexible price supports, which is endorsed by the Eisenhower administration. This program will create more surpluses and will lower our income.

I digress to say that that letter contains more sense than I have heard from five universities on the subject. I continue:

The Eisenhower 9-point program is all right (omitting flexible supports) for a long-range program, but will not help the farmer now when he needs it.

I am for the old parity formula, which will give us 90 percent of parity, as the old law states—not the new parity formula.

I would appreciate your voting for 90 percent parity and the soil bank program, providing that it will pay enough so we can take our acres out of production.

Thank you.

Yours truly,

DON E. ANDERSON.

WALNUT GROVE, MINN.

Listen to this letter from Paynesville, Minn. Paynesville is on the highway, off from St. Cloud, in west central Minnesota. It is a fine community and has one of the finest schools in the State.

The letter, signed by Lionel G. Reeck, says:

The soil bank is of little value in keeping me on the farm unless I get parity for corn, dairy products, chickens, hogs, feed grains, and beef. This I do so hope you will inform other Senators from other States about.

Mr. Reeck, that is what I am doing. There are not many Senators in the Chamber to listen, but Mr. Reeck's statement will be in the RECORD. I continue:

Basic commodities must be supported at parity, including corn, according to the old parity formula, and production payments direct to the farmer, not the packer or chain store for perishables. I know you are fighting for us, and after Worthington, I've repeatedly told farmers that we can be ever so glad and thankful we have a Senator HUMPHREY with us. Keep it up.

Mr. President, that makes me feel good. I receive a great many letters like that. This man attended the farm hearings at Worthington.

This is a letter from Francis Senden, of Marshall, Minn.:

DEAR SENATOR HUMPHREY: I wish to thank you for the fine job you are doing, according to price supports, and the farmer as a whole. But as Secretary Benson has the farm situation all messed up, I am sure many of our farmers will have to quit and sell out, including myself. In fact, there has been a farm auction sale where the young man had to sell out. I hope that you will keep up the good work and fight for the 90 percent on basics.

Mr. Senden, you can rest assured that I will keep up the fight.

Here is a letter from Fred Wyells, of Marshall, Minn.:

I have been a farmer all my life, and in the years before we had price supports, about the time a farmer was getting along pretty well financially, the speculators and big business would cause a crash, and we would have to start over again. I know with high support prices we are protected against such wide fluctuations.

You know how a farmer's income is dropping; and if something isn't done soon, we will undoubtedly have one of the worst depressions we ever had.

Hoping you will vote for high support prices,

Sincerely,

FRED WYELLS.

Fred, you can be assured that that is what your Senator will do.

Marshall, Minn., is in Lyon County, one of the finest farming areas in the United States. If Senators ever have occasion to go to Marshall, Minn., they will see one of the finest, most up-to-date modern towns they have ever laid eyes on. There is a good baseball team there, too.

This letter is from Victor Schilling, also of Marshall, Minn. He says:

DEAR SENATOR HUMPHREY: I am writing to thank you for the fine way you have been representing the farmer all along, and to say I believe it imperative that we have rigid supports returned if we are going to avert a national financial catastrophe.

I am of the opinion it is a national disgrace to allow many of our GI's to be sold down the river as farmers, after the sacrifice they made during the war.

Respectfully yours,

VICTOR SCHILLING.

Here is a letter from Mahnomen, Minn.:

DEAR SIR: This is a letter to let you know how much many, many farmers around Mahnomen and also the business people appreciate all you are doing for them. We sincerely hope this farm bill will be passed with at least 90 percent of the old parity formula.

Thank you.

Mrs. J. L. LOCKWOOD.

MAHNOMEN, MINN.

Here is another letter from Mahnomen, Minn.:

DEAR SENATOR: Would like to add our voices to encourage you in your efforts on behalf of the hard-pressed farmers of this country.

We believe in, advocate, and desire 90 percent (at least) support prices on all commodities, the old system of figuring parity on the basics, a ban on imports of commodities now in surplus.

From a gathering of some 300 last night, perhaps not more than a dozen people will write to express themselves, but there was no doubt that sentiment for these provisions in a farm bill was almost unanimous. Be of good cheer—we're behind you.

Sincerely,

Mr. and Mrs. SAM PASKIEWITZ.

I am of good cheer, Mr. and Mrs. Paskewitz.

Mr. President, I have in my hand another letter from Martin County, at Grenada. Martin County is in southern Minnesota. I have been in Martin County. I have visited the county fair. I have stood in the fairgrounds and have shaken hands with the farm people and visited with them. I think I know a little bit about the county.

Mr. President, I hope it will not sound too immodest if I say that I have traveled every highway and byway, and every country road in Minnesota. If the folks would not come to listen to me, I would go out to talk to them.

Many times I have stopped my car, crawled over a fence, gone into the field, and talked to farmers. I do not have to get my agricultural information from the Reader's Digest.

I have in my hand a letter from Grenada, Minn., in Martin County, which reads:

DEAR MR. HUMPHREY: I want to compliment you on the fight you are putting up for the farm program.

I am inclosing figures on my corn allotment for 1955 and 1956 on my 80 acres. If you can use them to any advantage, you are welcome to do so.

Wishing you the best of everything.

Yours sincerely,

R. S. HOLLAND.

I am asked questions about the soil bank and what benefits the farmer will receive. I mention a few of these letters because every one of them receives a personal answer. If I have to stay up every night until 5 o'clock in the morning, I shall answer letters. I pride myself on answering my mail. I do not give my constituents a blanket reply; they get personal answers. When they write to me and ask me a question, I try to find the answer. Sometimes I have a little trouble getting service from the Department of Agriculture. But the service has picked up after I have had to use some harsh words on this floor about



the lack of replies by the Department of Agriculture to Senatorial mail. I am happy to say that of late I have been receiving replies.

(At this point Mr. HUMPHREY yielded to Mr. MONRONEY to introduce a bill amending the Civil Service Retirement Act and to make brief remarks on the bill.)

(Mr. MONRONEY's remarks appear elsewhere in today's RECORD under the appropriate heading.)

Mr. HUMPHREY. Mr. President, while I had a free moment, I went through some of these letters. They are all very much alike. The count in my office on farm mail is about 7 percent for the Eisenhower farm program, as announced in newspaper ads, and about 93 percent for the principles embodied in the committee bill before the Senate at the present time.

I may point out that the mail comes from all sections of my State, and from people dealing with different farm organizations.

As I should have mentioned when I was discussing the Hardin County report, Iowa, the 118 farmers mentioned in that report belonged to the Farm Bureau, the Farmers Union, and other farm organizations, about evenly divided.

I picked out at random a letter from Mr. Philip E. Boxrud, of Madelia, Minn., which reads:

DEAR SENATOR HUMPHREY: I trust you'll be able to read this letter personally as I am a common dirt farmer concerned over the welfare of agriculture. I admit to following the Republican policies of the past but am nearing the boiling point (as are many of my neighbors).

Have just finished listening to Mr. Benson's speech and could personally tear it all to pieces. Farmers are not lethargic, Mr. Senator, they'll not stand flowering phrases, ludicrous stories, and euphemism. "Let's have a little more light and a little less noise." Wasn't it ironical?

The true facts of the situation were not revealed. Let's face up to it, the Republicans want to stabilize the dollar and the farmer is the only group they can squeeze, by, as you say, "lip service," and doing nothing. They cannot control labor nor can they control big business but they can play coy with the farmer and subsequently achieve their purposes.

Mr. President, this man is a really smart man. This is the way the Republicans have stabilized the cost of living. Other costs have gone up. Farm prices have gone down. The Republicans say, "Look, we have stabilized the cost of living. We have stopped inflation." They have stopped inflation by letting some people be inflated and some deflated.

I continue to read from the letter:

I'm downright mad, Mr. Senator, as I'm young and want to stay in farming, but what chance does an honest man have?

I want to pay off my bills and obligations but unfortunately I'm too small as against the huge farming corporations and the likes of Pillsbury Mills. Thirty-four indictments for mixing Canadian wheat with American wheat for export. Under the present crisis farmers are experiencing, I call it sabotage.

There are people in this country that are not buying the protein foods because they cannot afford them.

And so forth. That is good, sound, basic thinking.

Mr. President, I shall not go through all the letters I have received. They come from Clarissa, Sleepy Eye, Olivia, Lake Lillian, Mountain Lake, and other places.

I should like to read this one letter I have picked up:

DEAR SENATOR: I heard over the noontime news we are supposed to write to our Senator right away about the 90-percent parity. Oh my yes, we all want the program at 90-percent parity. That is the only thing, so we don't have to slave the way we do for nothing. Can't have any enjoyment for ourselves, only put every cent for debts. If we can't get 90 percent we will quit, and I am not the only one. There are many like us. We have to work hard and still get nothing. We might as well stop working. We will have the same because with times like now we have to sell everything to make ends meet. We can't even eat. It takes everything to keep going and still we go in debt. What a living. We might as well give the land back to the Indians and let them feed and clothe us. So we need 90-percent parity and that is all that will help us now. But there will have to be a way to stop.

This lady goes on for two pages, stating that she wants 90 percent of parity support prices. I want to say to this lady, whose name is Mrs. Frank Warzecka, of Westport, Minn., that is the way I shall vote.

Mr. President, we have heard so much about the plush life our farmers are living, in such periodicals as Harper's, that I want the RECORD to show the true and typical picture of midwestern farming.

The survey I have mentioned shows it most dramatically, breaking it down county by county, State by State, with scientifically balanced sampling and a larger sampling than usually statistically required for fair and accurate representation.

I refer, of course, to the GTA farm family survey. The cross check with census figures provides ample evidence of the fairness of the sampling distribution.

So that my colleagues from the Midwest may know, I should like to call attention to some more of the survey's findings. After all, we in the Midwest are proud of our great agricultural area. We regard it as one of the finest in the United States. So if farmers in our region can do no better economically than these figures show, agriculture's picture is far from rosy.

Let us take a look at my own State of Minnesota. Minnesota is considered to be rather prosperous, in comparison with other States. Audits were made of 1,319 farms in 6 typical counties—8.4 percent of the farms in those counties.

The average Minnesota farm, as depicted by the survey, had 248 acres, with a total investment of \$38,596. Gross receipts for 1954 were \$7,577, with total farm expenses of \$5,752. That left an income before taxes of \$1,825. Adding \$350 as the estimated value of food furnished by the farm for the farm family, boosts the total income from the farm, before income taxes, to \$2,175.

If we deducted a 5-percent return to the farmer for his cash investment—a reasonable return by business stand-

ards—it would leave only \$245 as a return for labor and management by the farm operator and his family.

Mr. President, General Motors Corp. made a return of approximately 20 percent on its investment. I am speaking about a return of only 5 percent on the farmer's investment.

As I have said, if we deducted a 5-percent return to the farmer for his cash investment it would leave only \$245 as a return for the labor and management by the farm operator and his family. That does not look as if too many Minnesota farmers are buying Cadillacs.

In fact, the survey took a look at farmer-owned automobiles.

There has been so much talk on that subject that the press may be interested in the actual facts:

Out of those farmers owning automobiles in Minnesota, 39.5 percent had 1949 or older models, and another 49.3 percent owned 1950 to 1953 models. Only 11.2 percent had 1954 or 1955 models.

Out of those cars, 83.1 percent were in the low-price range, 13.1 percent were in the medium-price range, and only 3.8 percent owned cars in the high-price range.

Only 47 percent of the farms surveyed had bathroom facilities, and only 55 percent had hot running water. Believe it or not, in spite of the heavy investment in these farms, only 63 percent had even cold running water.

As evidence of what can happen when our Government provides the means and methods whereby farmers can advance their living standards, quite a corollary to the above facts is presented by a reference to the use of electrical appliances. Ninety-eight percent of the farms had high-line electricity and 97 percent had power washers.

Mr. President, when the REA was established, farmers began to live; and when the REA established lines to local cooperatives, farmers started buying electrical appliances. In the case of the farms in some of the best counties in Minnesota, where the land is good, only 47 percent of the farms surveyed had bathroom facilities, only 55 percent had hot running water, only 63 percent had even cold running water, 98 percent had high-line electricity, and 97 percent had power washers, or electric washing machines. Why? Because they had electricity. Mr. President, I cannot help wondering how the washing machine industry would have survived if the REA had not been established.

A tremendous potential market for other needed materials and facilities exists on these farms, if the farmers had adequate income with which to pay for them.

For example, for farm production alone, not including farm home needs, the average farm surveyed in Minnesota needed expenditures of \$663 for repairs and painting, \$1,749 for new farm buildings, and \$1,713 for new farm equipment. These amounts are necessary for their immediate needs. That is a total of \$4,125 in immediate needs, expenditures that would be flowing into our stream of economy if these farmers were getting anywhere near parity of income.



What is true of Minnesota is true of our surrounding States and all farm States. Mr. President, I think it is reasonably fair to say that the farm situation in my State is not as bad as that in many other areas. The farms in Minnesota are a little larger than the farms in some other sections. In Minnesota we have good land, and there has been reasonably good production.

The GTA survey in five States alone showed a great potential market for American industry. Farmers were asked what they needed to spend for repairs and paint, for new buildings, and for new equipment. The needed expenditures totalled from \$4,000 to \$6,500 per farm. The very large outlet for capital goods in these five States alone could amount to \$2 billion for just farm needs, aside from household needs, if farmers had the income with which to maintain and improve their farms.

The potential is equally great for farm home improvements.

The data compiled in this survey fails to bear out the notion prevalent among many city people that farmers are enjoying an abnormally high standard of living. Instead 21 percent to 44 percent of farms in the entire 5-State area are without cold running water; 28 to 56 percent are without hot running water; telephones are still lacking in 24 to 66 percent, and bathroom facilities are lacking in 36 to 58 percent.

I am sure my colleagues from South Dakota, North Dakota, Montana, and Wisconsin will be interested in seeing the corresponding facts and figures for their States.

Mr. President, high policy makers have been telling those of us who serve in Congress that what the country needs is foreign trade. I am in favor of foreign trade. I have always voted for the reciprocal trade program, and I have voted against any crippling amendments. But we are having trouble getting foreign trade, because we are always in conflict with some friend of ours. We always have to be concerned with the needs of Great Britain, France, Belgium, Holland, the Scandinavian countries, Italy, or other countries that need foreign trade, if they are to live. They cannot even exist without foreign trade; foreign trade is their market and their livelihood.

Then there are the problems of tariffs and the problems of exchange—for instance, the problems which arise because of different currencies. In addition, there are language barriers. There are all kinds of problems. However, our Government relentlessly pursues foreign trade, and we justify the making of many hundreds of millions of dollars' worth of appropriations on the basis of foreign trade. That is well and good, and what I am saying is not to discount at all the

importance of foreign trade. It is important.

But, Mr. President, if we would spend on getting increased domestic trade, 10 percent of the effort we spend on getting additional foreign trade, we would be better off. In the United States there are unlimited markets. One out of every six families in the United States is living on a very low subsistence level. The best market for American production is in America. The best market for bathroom fixtures is in the United States, including the five States I have just been talking about; and the people of the United States will be willing to buy bathroom fixtures long before persons living in Burma will be willing to buy them. The best market for additional electrical equipment and the best market for machinery and the best market for repair parts and for paint and wallpaper and for repairs to homes and buildings is in the great hinterland of America. On the basis of plain, sensible economics, a farm program that will increase farm income is good for business.

Many of our farm families were hoping they would get some major tax reduction. I went home to Minnesota and said, "Fellow Minnesotans, your taxes are going to be reduced. This Republican administration has a tax-reduction program. It has a system. It reduces your income, and that reduces your taxes."

That is exactly what happened. Farm income has gone down and Federal revenues from income taxes from farm families has gone down.

Any program that is directed toward lifting the income levels of the farm family will lift the levels of every single businessman, factory worker, producer, and manufacturer in the United States. The great untapped market in America is out in the countryside—to be sure, in our cities, too. I have noticed that some of our big industrialists are very much interested in foreign trade. They like foreign trade, because sometimes they can build their factories in foreign countries, hire labor cheaper, and make more money.

I call upon industry in this country to be interested in domestic trade, with our own American families, insofar as humanly possible, with the view of allowing those families to obtain the opportunity to earn a fair living.

The best thing that ever happened to business was when a workingman received a good wage. We could always notice the difference in our cash register when the men out at the packing plant received a raise in pay. Every time the employees of the Armour Packing Co. received an increase in pay, Humphrey's drugstore got a little increase in business. We did not have to negotiate a contract. But the salary of the manager of the plant could have

been increased by 100 percent and it would not have helped our business. When the 1,200 or 1,400 workers in that plant got another \$5 in their pay envelopes, they were downtown spending it for unfulfilled needs.

I have never been able to understand why a small-business man, or any other businessman, little or big, should resist so vigorously programs of economic justice and progress for the rank and file of our people. It seems to me to be a rather shortsighted policy.

I ask unanimous consent to have printed in the RECORD at this point a condensed portion of the report entitled "Survey Shows Great Potential Market."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farmers were asked what they needed to spend for repairs and paint, for new buildings and for new equipment. This is what we found:

*Capital expenditures needed per farm*

|                   | Repairs and paint | New buildings | New equipment | Total   |
|-------------------|-------------------|---------------|---------------|---------|
| Montana.....      | \$802             | \$1,707       | \$1,626       | \$4,135 |
| North Dakota..... | 1,258             | 2,426         | 2,877         | 6,561   |
| South Dakota..... | 1,029             | 1,945         | 1,956         | 4,930   |
| Minnesota.....    | 663               | 1,749         | 1,713         | 4,125   |
| Wisconsin.....    | 1,021             | 1,810         | 1,952         | 4,783   |

The needed expenditures total \$4,000 to \$6,500 per farm. In the case of new equipment, these needed expenditures would add about 15 percent to present equipment inventory for Montana family operated farms, about a fourth for those in South Dakota and Minnesota, and about a third for those in North Dakota and Wisconsin. These largest percentages of needed additions and equipment show up among farmers in the two States having the smallest average gross income, namely, North Dakota and Wisconsin, whereas the smallest percentage was reported by farmers in Montana, the State with the largest average gross income.

The very substantial expenditures that the typical family operated farm needs to make could mean much to industries selling to the farm market. This very large outlet for capital goods in these five States alone could amount to \$2 billion if farmers had the income with which to maintain and improve their farms. This is suggestive of the large potential market for industrial products, not only in these five Northwest States but also in the many other rural regions of the country.

The GTA survey did not secure estimates of needed expenditures for the farm home similar to the estimates of capital expenditures needed for production. But the gaps and deficiencies in the farmers' living standards and the potential market for industrial products for use in farm homes is clearly shown by the proportion of farms that still do not have certain home facilities that are generally taken for granted in city communities. Further, the insurable value of farm homes in the survey averaged only \$5,000, indicating many very old and inadequate houses. Certainly many of these need replacing.



*Measures of farm living standards*

[In percent]

| Percent of farms that do not have— | Montana | North Dakota | South Dakota | Minnesota | Wisconsin |
|------------------------------------|---------|--------------|--------------|-----------|-----------|
| Cold running water.....            | 23      | 38           | 44           | 37        | 21        |
| Hot running water.....             | 28      | 44           | 56           | 45        | 34        |
| High-line electricity.....         | 2       | 2            | 4            | 2         | 1         |
| Telephone.....                     | 66      | 31           | 31           | 21        | 24        |
| Power washer.....                  | 4       | 2            | 4            | 3         | 1         |
| Refrigerator.....                  | 2       | 4            | 4            | 4         | 4         |
| Deep freeze.....                   | 24      | 52           | 55           | 56        | 51        |
| Television.....                    | 73      | 68           | 82           | 64        | 53        |
| Radio.....                         | 1       | 1            | 1            | 2         | 2         |
| Bathroom facilities.....           | 36      | 50           | 58           | 53        | 39        |
| L. P. gas.....                     | 79      | 37           | 25           | 51        | 54        |
| Central heating.....               | 38      | 45           | 58           | 63        | 49        |

These facts do not bear out the notion prevalent among many city people that farmers are enjoying an abnormally high standard of living. The fact is, today very many farmers still do not have some of the elementaries of everyday living—21 to 44 percent without cold running water, and 28 to 56 percent without hot running water. Telephones are still lacking in 24 to 66 percent of the surveyed farms, and many of the phones in use date back to before World War I. Deep freezes were lacking in 24 to 56 percent of the farms in spite of the fact that deep freezes are of greatest benefit to farm families.

Most farms do not have television even though they are in areas receiving service. Bathroom facilities are still lacking on 36 to 58 percent of the farms, and 38 to 63 percent do not have central heating.

The total required to replace or modernize the farm homes in just these five States must be at least twice as much as many farmers reported they needed for farm capital expenditures. This would indicate a minimum of \$4 billions for housings, with corresponding totals for the country as a whole, and a grand total of farm needs of five or six billion dollars for these five States alone.

We do not need to look only to foreign underdeveloped countries as potential additional markets for our industrial products. Millions of our own farm families, west, south, east, and north need billions of new capital expenditures to close the gap between rural and urban living standards.

Mr. HUMPHREY. The survey I have discussed brings out alarming facts on the situation of the average family-operated farm the five-State area covered.

No longer is this matter a subject of speculation and guesswork, for contained in the report I have reviewed is the factual material that tells the story of what is happening to typical farm families.

The farm family is in serious trouble, and heading into deeper trouble, unless action is taken to reverse the trend.

It should now be obvious to all that the farm family is not receiving parity with the rest of the country. It is, likewise, apparent that the farm family is losing still more ground from the goal of a fair standard of living, in return for its contributions not only of providing the Nation's food and fiber but also of being a major user of industrial products.

The farm family is being forced to use money for living expenses, that, in keeping with sound business practice, ought to be set aside for depreciation—to replace wornout machinery and other equipment, and to maintain the farm plant in good condition.

It should be apparent for all to see that farm families put in long hours to

keep the farm going, and, in return, their take-home pay—what is left for their living—has been shockingly inadequate and is shrinking still more.

It is this lack of income, and lack of opportunity for income, that Congress must be concerned with now if we hope to restore balance to our economy.

Perhaps this review of where our farmers stand today will help set the stage for this Congress seeing that justice is done to the farmer when we vote on the new farm bill.

In any event, it sets the record straight about typical farm income, and typical farm living standards and needs.

It is just a start of what needs to be said, to complete setting the record straight.

Before going into details of the legislation before me, it is my intention, as I mentioned at the outset, to next review how agriculture got plunged into its present predicament.

For that purpose I shall continue this discussion this evening.

## HOW AGRICULTURE GOT IN ITS PRESENT FIX

I wish to speak now on the subject of How Agriculture Got in Its Present Fix. Perhaps I should say "How the Present Fix Got on Agriculture."

If we concede that American agriculture is in economic trouble today, it is only fair to look at the cause of its troubles before proceeding with the remedies needed.

How did we get into this fix?

How did the Republican administration let agriculture drift aimlessly into depression while the rest of the economy was booming?

Oh, I know our Republican friends have conducted quite a propaganda campaign to divert attention from their own failures, by putting all the blame on so-called surpluses.

I challenge them to back up their propaganda with facts.

Contrary to the basic philosophy behind President Eisenhower's farm plan recommendations, surpluses are not the cause of present low farm prices.

Low farm prices have been caused by mismanagement of the price-support programs, in two principal respects. First, supports have been cut under the sliding scale policy, thus directly driving market prices down; second, the markets have been demoralized by threats that Government-owned commodities will be dumped, contrary to long-standing legal provisions for sale only at 105 percent of the support price plus carrying charge.

Those are two rather serious charges, and I intend to document them. I charge the Department of Agriculture with being grossly inefficient. One can charge the Republican administration with almost any crime except inefficiency. It flinches at the very thought of such a charge. I charge them with gross inefficiency, inefficiency of the worst kind, and mismanagement. I not only charge them with it; I intend to prove it. Not only is the Department inefficient, but the administration has so messed up the farmer-committee program that today it is practically a shambles. The letters which pour into my office dealing with the farmer-committee system are really very touching. They are very pathetic. Farmers who served for years were pushed out, for sheer political purposes. Today, as many a farmer says, they do not like to go into an office and ask a clerk, a young girl just out of high school, or a young boy just out of a short course in agriculture, how to do their farming, or what the farm program is about.

I say that low farm prices have been caused in part by mismanagement of the price-support program; and I have listed the two principal areas of mismanagement.

Partial responsibility must also be shared by the fact that existing and even previous farm programs are not fully adequate—but the administration has only acted and proposed to further weaken them, not strengthen them.

More than legislation alone is involved in the skids that have been put under American agriculture. Basic attitudes are involved.

The attitude of this administration with respect to agriculture is indefensible. Those who operate the program do not believe in it.

Too many people in Washington turned their backs on the fundamental importance of agriculture to our economy.

Too many people in Washington—and, yes, even too many people out on the farms—were deceived into rejecting sound, time-tested agricultural policies—policies and programs that helped bring American agriculture out of the depths of depression, strengthen its economy to where it withstood every challenge of World War II, the readjustment afterwards, and the Korean conflict.

That is the kind of farm program we have. It was strong enough to get us out of the depths of the depression and strengthen our economy to the point where it withstood the challenge and responsibilities of World War II, the following readjustment, and the Korean conflict. It required a pretty good program to do that.

Too little concern was shown when our highest public officials relegated agriculture to a minor role of importance in their considerations and counsels. Too many people let themselves be brainwashed by propaganda and slogans designed to conceal a deliberate intent to reverse agriculture's progress toward full and just equality in our economy.



If only half the energy and effort used by those in high places in our Government to distort historical facts—as part of a brazen, partisan, political attempt to divert responsibility for the fix we are in today—had been devoted to aggressive, constructive attempts to stem the tide of agricultural recession, American agriculture would be in a far better condition today regardless of any laws on the statute books.

Of course, we are more interested in the present, and the future, than the past.

I would rather talk about what can be done now, than argue over what was done in years gone by—and I intend doing so before I conclude. It would be far better if the Secretary of Agriculture would do the same.

But Secretary Benson has so distorted history in his stubborn partisanship that it is time to call him to account, before his unfounded dogma is preached further as fact by great segments of the misguided press in this country.

Let us set the record straight today, once and for all.

Where did our temporary surplus of food and fiber come from?

Were price-support loans at 90 percent of parity really responsible for the excess abundance that has created much concern?

Were surplus the result of wartime policies "too long continued," as the President has charged in his message to this Congress, and his supporters are echoing across the land?

Those are the charges. Let us look at the answers.

Turn back, for a moment, to 1950. We, as a nation, became involved in a deadly serious attempt to halt Communist aggression in Korea, with grave fears that world war III might result.

Even though we have spent billions upon billions of dollars for defense, I charge today on the floor of the Senate that our Government has no policy whatever for food and fiber in case of war.

When representatives from the Office of Defense Mobilization came before the Committee on Agriculture and Forestry they had not even thought about a strategic reserve of food and fiber in case our country became involved in a war.

Our State Department does not even think about how to use food and fiber as a supplement to our foreign policy when it presents to us programs on foreign economic aid.

We talk about a lack of planning. Mr. President, better planning could be done in a madhouse. I charge that there is no planning in our Government on the use of food and fiber for our international responsibilities or for a program of national security.

The planning that is going on is to condemn surpluses, to cry to high heaven about surpluses and to cry about the mess some officials of the Administration say they have inherited.

Mr. President, the outfit in the Department of Agriculture is sterile when it comes to imagination. It has no plan. It has no program. It is without any imagination whatever as to what should

be done with the great stocks of food and fiber we have on hand.

What do Senators think Mr. Khrushchev or Mr. Bulganin would do if they had the supplies of food and fiber that we have on hand? They would make a Fuller brush man look like a man with rheumatism and arthritis as they went around the world. They would go around the world with that food and fiber and make one friend after another and one deal after another. What do we do? We stand around like a stunned ox, saying it is a problem.

I have said it many times, and I say it again, that if the biggest problem we have to face is the problem of what we are to do with our God-given abundance of food and fiber, then indeed we have been very well treated by Divine Providence. If the administration cannot determine what they can do constructively with the food and fiber of our country, they will never be able to figure out what to do about Russia.

(At this point Mr. HUMPHREY yielded to Mr. CLEMENTS for the purpose of proposing a unanimous-consent agreement. On request, and by unanimous consent, the proposal and the ensuing colloquy were ordered to be printed in today's RECORD following the conclusion of Mr. HUMPHREY's remarks for the day.)

Mr. NEUBERGER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. I wish to thank my distinguished colleague for having yielded to me so that I might introduce a bill of importance to my State.

I wish to commend the distinguished Senator from Minnesota on the leadership he is showing in the effort to work out a fair farm program. I happened to be occupying the chair of the Presiding Officer when the Senator from Minnesota referred to the promises made by a certain candidate for the Presidency in the 1952 campaign. As I recall, there was one set of promises made to which the Senator from Minnesota has not referred in his very able address.

Am I not correct in recalling that the distinguished Republican candidate for the Presidency said that a program would be evolved which would provide some form of Government help to producers of the various perishable commodities as well as to certain feed grains which were not included among the so-called basics?

Mr. HUMPHREY. That is very definitely true. If the Senator from Oregon will refer to the speech of candidate Eisenhower at Kasson, Minn., he will find a very special and important section in the speech which was critical of the previous administration's farm program with respect to its failure to have an effective price support program for perishable commodities. The Republican candidate pledged that his administration would come forward with a program which would give to perishable commodities the same degree of protection and support as it would give to the so-called storable commodities.

Mr. SALTONSTALL. Mr. President, it is a great pleasure to know that a colloquy is in progress between the Sen-

ator from Minnesota and the Senator from Oregon, but we on this side of the aisle are unable to hear it. If the Senators desire Senators on this side of the aisle to hear what they are saying, may I suggest that they speak a little louder?

Mr. HUMPHREY. Mr. President, I certainly wish to share my words with the distinguished Senator from Massachusetts, who is the acting minority leader.

The question was asked by the Senator from Oregon as to whether the Republican candidate for President in 1952, General Eisenhower, had announced or described a program for the support of perishable farm commodities.

I replied to the Senator from Oregon to the effect that in the speech at Kasson, Minn.—and possibly in other speeches; I am not certain of that—the Republican candidate for the presidency said that one of the weaknesses of the previous administration's agricultural program was its failure to do anything effectively for perishable commodities. He pledged that his administration would develop a program for perishable commodities which would give them the same kind of treatment and help as had been given the storable commodities, such as grains. I have not his exact words before me, but I am sure that in substance I have given an accurate description of that portion of the speech. It made a very powerful impression at the time.

Mr. NEUBERGER. The reason I asked my question was that I happen to represent, in part, a State which has thousands of farm families, many of whom live on very small farms and raise perishable commodities, including vegetables and fruits. They have orchards, and they raise row crops.

In the 4 months that I was in Oregon recently, I visited many farm families. Mrs. Neuberger and I stayed overnight with some of them in their farm houses. They are receiving no Government support whatsoever.

May I ask the distinguished Senator from Minnesota if there has been any attempt, to his knowledge—I know he is very familiar with the farm program—to carry out that campaign promise to do something for the people who raise or produce perishables.

Mr. HUMPHREY. In all honesty, I must say that the administration now has a program for the purchase of pork products, but it has been relatively ineffective, even according to the words of the Secretary of Agriculture.

The administration has a program for milk, which we in Congress have authorized. It has a special school-milk program, which was not recommended by this administration, but which came from Congress. There is a school-lunch program which has been in existence for the past 15 years or so. Those are the essential purchase programs which the Government has operated. Frankly, those purchase programs are not very effective unless they are timely. That is, if they are used at an early time after the market begins to slump, there is evidence that they will be helpful. But so



far as a kind of overall program of assistance to perishable commodities is concerned, there is no such program. What is more, the administration has not shown any desire to develop such a program or to present one to Congress.

Mr. NEUBERGER. Undoubtedly the Senator has seen the reports in the press to the effect that the cost of living has been stabilized under the present administration. There has been much bragging and boasting about that. The administration has expressed much satisfaction over the so-called stabilization of the cost of living.

Is it not true that the stabilizing of overall price levels has been largely at the expense of the farm population, whether they have been raising livestock, grain, cotton, orchard fruits, or row crops?

Mr. HUMPHREY. There is no doubt about that. While the cost of living has leveled off, according to the price index, the main reason for its having leveled off is that there has been a drop in the farm price index, which has been taken off the increase in the other price indexes.

Mr. NEUBERGER. Should it not be emphasized to the American people that, although the cost of living has begun to stabilize to some extent in the past 2 years, it has been at the expense of sacrifices on the part of the American farmers?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. NEUBERGER. While such products as steel, lumber, aluminum, and rayon, which are produced in the Senator's State as well as my own, have gone up substantially in price, the cost of farm products has gone down, and the cost of food is about 30 or 40 percent of the budget of the average family. The administration can say that the cost of living is stabilized, inasmuch as the farmer is being sacrificed for the increased profits being reaped by industry.

Mr. HUMPHREY. The Senator's analysis is directly to the point. The argument should be made again and again to correct the false impression which has gained such wide acceptance in this country.

Mr. NEUBERGER. If the Senator will permit me to ask one more question, I shall not interrupt him further.

Mr. HUMPHREY. The Senator is not interrupting me; he is contributing to the debate.

Mr. NEUBERGER. I thank the Senator. Is it not particularly unfair and unjust to the farmer that the price of his products should be going down at a time when the cost of nearly everything else in our economy is going up? It would be bad enough to have the farmer's prices go down in a general decline, but at least then he would be perhaps benefiting to a limited extent from the fact that the things which he himself and his family would have to buy would be getting less costly. But is it not particularly unfair to the farmers to have the price of farm produce going down at a time when automobiles, farm equipment, clothing, medical care, transportation, and other items which they need are

going up in direct contrast to what has happened to the farm economy?

Mr. HUMPHREY. The Senator is correct. The squeeze on the farmer under these conditions is getting to be unbearable. There can be no question about that. A farm price decline which goes to a point below the cost of operation, while higher costs continue could be disastrous. Such a condition is rapidly approaching in some areas of the Nation.

Mr. NEUBERGER. In other words, the farmer is isolated. He is in a sort of large island of adverse economic conditions, while all around him is the great sea of prosperity. He has to buck adverse conditions, while many others in the economy are prospering immediately. It seems to me this contrast is especially inequitable so far as the farm population is concerned.

I thank the Senator from Minnesota for his efforts, both on the floor and as a member of the Committee on Agriculture and Forestry, to prepare a bill which will attempt to reverse the present very destructive drop in farm income.

Mr. HUMPHREY. I wish to thank the Senator. He has been very helpful, and his observations are surely pertinent. They are explanatory of what some of this problem is about.

Mr. President, I am about to yield to the Senator from West Virginia [Mr. NEELY]. Then I shall end my remarks for this evening, since I understand the Senate is about to recess or adjourn.

A friend of mine has just handed me a note saying the headlines in the papers now read "Ike Decides to Run." The body of the story under the headline, which I gather is not printed, but which should be printed, should read: "Found he cannot afford to retire on Gettysburg farm while Benson is still Secretary of Agriculture." [Laughter.]

I now yield to the Senator from West Virginia.

#### ANNOUNCEMENT BY PRESIDENT EISENHOWER OF HIS AVAILABILITY FOR SECOND TERM

Mr. NEELY. Mr. President, in the hope of maintaining at least a semblance of political equipoise in the history of today's proceedings in this body, attention is invited to the following telegram which was sent by President Eisenhower on the 19th of January 1956 to the secretary of state of New Hampshire:

It would be idle to pretend that my health can be wholly restored to the excellent state in which the doctors believed it to be in mid-September. \* \* \* My future life must be carefully regulated to avoid excessive fatigue.

Today Mr. Paul Butler, chairman of the Democratic National Committee, issued a press release relative to this matter. I ask unanimous consent to have the release printed in the RECORD at this point.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

Paul M. Butler, chairman of the Democratic National Committee, said today "the American people will never elect a President who, at 65, has had a serious heart attack

and who is unable to be a full-time Chief Executive."

In response to requests for comment on Mr. Eisenhower's decision, Mr. Butler also said:

"Republican leaders have high-pressured Mr. Eisenhower into this decision without regard for the possible consequences to him, his family, or the public. But the American people will never go along with it.

"I personally had not thought Mr. Eisenhower would permit himself to be put in this position, not only because of the private and public hazards involved, but because his action establishes an unfortunate precedent.

"The uncertainties of his future health are bound to affect the interest of our country and its citizens and, therefore, will be involved in the coming campaign even though the question of the President's health is not formally raised as a campaign issue by the Democrats. I fear that it will dominate the campaign and tend to obliterate discussion and consideration of the great issues of domestic and foreign policy.

"Mr. Eisenhower's decision does not alter the campaign plans of the Democratic Party. Whether he or someone else in the Republican nominee, we will still be running against the record of failures and shortcoming of the Eisenhower administration.

"Any realistic appraisal of the American political scene shows that the Democratic Party will win against any Republican candidate. The great Democratic trend of the last 3 years has swept everything before it, including 9 governorship victories for Democrats against no losses to Republicans.

"The people of this country may like Mr. Eisenhower and appreciate his military contributions, but they have learned that as a President he has neither the will nor the energy to exert real leadership in the interest of all the people.

"The times call for more than a part-time President. The Communist menace is not a part-time menace. The farm depression is not a part-time depression. The dangerous lag in our guided missile program is not a part-time lag.

"Our country needs a full-time President with the energy and vigor to put a stop to the drift and confusion and bombast in our State Department and to assume the role of leader in the field of foreign policy.

"Our country needs a full-time President with the time and inclination to familiarize himself with the plight of the farmer and to draft a program that will bring back prosperity to that vital segment of our economy.

"Our country needs a full-time President who will personally see to it that our military strength is restored to the point where it will be a safe deterrent to aggression.

"Our country needs a full-time President who is alert to corruption and who does not permit the Talbotts and Strobels to leave the Government with a warm letter and a pat on the back.

"These are not times in which our country can afford four years of government by a shadowy regency acting in the President's name.

"In the crucial 4 years which lie ahead, the people of this country will not settle for anything less than a vigorous, aggressive, full-time President."

#### AMENDMENT TO SECTION 5 OF CIVIL SERVICE RETIREMENT ACT, AS AMENDED

During the course of Mr. HUMPHREY's speech,

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield?



Mr. HUMPHREY. I yield to the Senator from Oklahoma, without losing my right to the floor.

Mr. MONRONEY. I wish to thank the Senator from Minnesota for the courteous treatment which I always receive from him.

Mr. President, out of order, I introduce, for appropriate reference, a bill amending the Civil Service Retirement Act, I ask unanimous consent that the bill, together with a statement prepared by me, relating to the bill, be printed in the RECORD, following the remarks of the distinguished Senator from Minnesota. The statement explains the purposes of the bill, which is to protect civil service workers who have long periods of service in government, and who then leave the Government for a period and come back. Under the law as it now exists, such employees would not be entitled to any survivorship benefits unless they had been back in Government service for a year or more.

A case in point is the recent death of our very able chief counsel of the Committee on Interstate and Foreign Commerce, Mr. Frank Pellegrini, who had 16 years and 7 months service with the Government, was out of Government for a time, and then returned. He died 11 months and 6 days after his return to Government service, and therefore his return was 24 days short of entitling him to survivorship benefits for his twin sons and his wife, which benefits they otherwise would have received.

The purpose of the bill is that others in Government service shall not have rights to survivorship benefits denied them when they return to service, such as happened in the case to which I have referred. Such employees should enjoy the same protection that other civil-service workers have.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3315) to amend section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, introduced by Mr. MONRONEY, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That the first sentence of the next to the last paragraph in section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by inserting after the word "separated" the following: "has been separated by death or."

SEC. 2. The amendment made by this act shall take effect as of August 31, 1954, but no annuity shall be paid by reason of such amendment (a) for any period prior to the date of enactment of this act, or (b) unless the amount of any lump sum death benefit heretofore paid under the Civil Service Retirement Act of May 29, 1930, as amended, is redeposited in the civil service retirement and disability fund.

The statement presented by Mr. MONRONEY is as follows:

#### STATEMENT BY SENATOR MONRONEY

The Interstate and Foreign Commerce Committee, of which I have the honor to be a member, was saddened and shocked by the sudden and unexpected death of its Chief

Counsel, Mr. Frank Pellegrini, on January 14, 1956.

On January 16, I informed the Senate of his untimely passing and extended the heartfelt sympathy to every member of the committee to his surviving widow and twin sons. I paid tribute to his many years of faithful and efficient service to the Senate and to his country. It is not my present purpose to review the sentiments I attempted to express on that occasion. It is my duty, however, to inform the Senate of an unjust misfortune that will befall the surviving family of Mr. Pellegrini and perhaps others in similar circumstances under the present civil service retirement law.

Under the present law, if an employee with 5, 10 or 15 years of continuous service dies, his surviving widow and children receive an annuity. However, if the same employee should leave the Federal service for a period of time, he would have to be re-employed 1 full year after his return before his surviving widow and children receive an annuity.

At the time of his death Mr. Pellegrini had a total of 16 years and 7 months of Federal service. However, he was out of the Federal service for a time and his most recent period of employment commenced on February 9, 1955. Therefore, at the time of his death, his current period of employment was 11 months and 6 days, which falls some 24 days short of meeting the 1 year reemployment requirement. The result is that under present law, his widow and twin sons are not entitled to an annuity, but had he lived for another 24 days, they would be entitled to such an annuity.

I have no quarrel with the 1 year reemployment requirement generally. I think it is a necessary and proper restriction where employees themselves control their careers and decide whether they wish to leave or remain in the Federal service. However, I think it should not apply when an employee is prevented from fulfilling the requirement by reason of death or disability. These are matters over which the employee has no control.

Mr. MONRONEY. I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. It is always a pleasure to accommodate the Senator from Oklahoma. He always does the same for me.

#### FEDERAL CAMPAIGN CONTRIBUTIONS BILL—ADDITION OF SENATOR HUMPHREY AS COSPONSOR

Mr. HUMPHREY. Mr. President, the Senator from Oregon [Mr. NEUBERGER] is about to leave. Before he does so, I should like to ask him whether the election financing bill which he introduced has been closed for the adding of additional cosponsors. It has not yet been closed; has it?

Mr. NEUBERGER. I believe the bill is still at the desk, if I am not mistaken. I cannot say definitely that it is, but I think there is still opportunity for cosponsors, if I am not mistaken.

Mr. HUMPHREY. I should like to ask the Presiding Officer if that is the case.

The PRESIDING OFFICER. It still is possible to add additional cosponsors.

Mr. HUMPHREY. I wish to have my name added as a cosponsor. The Senator from Oregon has been very helpful in explaining to me his proposed legislation, and I consider it a privilege to be associated with him in its sponsorship.

Mr. NEUBERGER. We are very honored to have the support and cosponsorship of the Senator from Minnesota.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. HUMPHREY. Mr. President, it was my understanding that the Senate was about ready to recess or adjourn, but I have been told there is another matter which may be brought to the Senate, so I shall continue with my statement.

Just a few moments ago I was saying that I would much rather talk about what should be done in the future, which it is my intention to do, rather than discuss the past, but I cannot help but reiterate that the arguments which have been made by the Secretary of Agriculture and the spokesmen for agriculture in the administration have been so misleading and have tended so to misguide public opinion that it is important to set the record straight.

Where do the temporary surpluses of food and fiber come from? The argument is made that they are the result of wartime policies, as the President said, "too long continued," and, of course, due to 90-percent parity supports.

If we turn back to 1950, we will recall that as a Nation we became involved in a deadly serious attempt to halt Communist aggression in Korea, with grave fears that world war III might result.

We had learned a lesson from World War II, a lesson that could not be forgotten. Food and fiber are urgently needed to win a war, and a greatly expanded supply of food and fiber.

Our top policymakers of Government, charged with the Nation's security, determined the goals of agricultural production that had to be met for the Nation's safety.

I want to underscore that statement, because the decision as to production quotas was taken after much thought and consideration by the top policy makers—not merely by political leaders, but by men who had been brought in from industry and agriculture. Agricultural goals were set in order to strengthen our economy to give us the necessary food and fiber reserves or stocks which would be necessary in a period of war.

They were not goals determined for the sake of the farmer. They were goals determined for the protection of all our people. They were not the product of any Secretary of Agriculture's guess alone. They were the studied needs outlined by our defense officials, our munitions board, our State Department, and our Security Council.

During 1950, 1951, and 1952, we consumed, as feed, more feed grain than we produced.

We were running into a deficit, drawing on what limited small reserves we had.

Despite expanded production—this was only a few few years ago—4 years ago, 3 years ago—we were living off our reserves, and not from current produc-



tion. Fortunately, we provided those reserves.

One would think we would remember that now, Mr. President, but it is like living out of one's savings instead of one's earnings. In time, one will run out of money and face trouble.

Looking ahead, the only safe answer was to increase production—or risk a shortage in time of national emergency.

The Department of Agriculture was asked, in the Nation's interest, to call upon America's farmers to increase production of feed grains, of cotton, and of other commodities for which potential demand was soaring.

Secretary of Agriculture Brannan was called before the Senate Agriculture Committee in the spring of 1952, to be questioned about whether these national security goals could be met.

No one then, Republican or Democrat, challenged the need for such increased production.

All one has to do is get those hearings.

Not a voice was raised against the goals. The only question was whether 90-percent price supports were high enough to get the production we needed.

Secretary Brannan promised the Senate an all-out campaign to achieve the production needed, regardless of price.

He had faith in America's farmers—faith they would respond to the Nation's needs. However, he expressed a hope farmers could, in return, have faith in their Government not to let them down afterward if they produced more than was needed.

This is all a matter of official record. His faith in America's farmers was justified. His hope that farmers could have the same kind of faith in their Government apparently was not.

America's farmers responded to the Nation's need, when they were called upon to respond.

I digress to remind the Senate that the Production and Marketing Administration committees—they were called PMA committees—went over the countryside and encouraged farmers to expand their production to meet the national goals, just as the needs for the draft are met by selective service. So many bushels and pounds were to be produced.

Ninety percent of parity was not what got the farmers to produce. What got them to produce was the concentrated campaign by the Government, which called upon the press, radio, and television to ask the farmers to produce. In North Dakota the wheat farmers were appealed to. I am sure the Senator from North Dakota [Mr. Young]—who is a true friend of the farmers, if there ever was one—recalls how the Government asked the wheat farmers of North Dakota to expand their production of wheat.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. HUMPHREY. I yield.

Mr. YOUNG. First, I wish to express my appreciation of my colleague's statement about my efforts in behalf of the farmers.

Let me say that at that time, Congress provided greatly increased funds for the Department of Agriculture to use in informing the farmers of the plan for increased agricultural production. As a result of those appropriations, meetings were held throughout the Nation in an effort to urge every farmer in the country to increase production.

Mr. HUMPHREY. The Senator from North Dakota is absolutely correct.

At that time I was privileged to be a member of the Senate Committee on Agriculture and Forestry. A few months later in 1953, I was not on the committee; and, as the Senator from North Dakota will recall, later in 1953 I returned to membership on the committee. I attended the hearings. I remember the great concern then as to whether the farmer would be scolded—scolded as he is being scolded now—for increasing his production. I recall that the Senator from North Dakota [Mr. Young] was one of those who were much concerned on that point. At that time the farmer was being given a considerable working over; his patriotism was appealed to, and he was requested to expand greatly and to increase his production of agricultural commodities. I recall that the Senator from North Dakota was among those of us who wondered what would happen when the war came to an end. We wondered whether at that time the farmer would be blamed because he had done his job, because he had responded to the appeals to his patriotism. At that time the Secretary of Agriculture, Mr. Brannan, assured us that, of course, everyone would wish to keep faith with the farmer.

Mr. YOUNG. That is correct. As the Senator from Minnesota knows, at that time every member of the committee expressed concern about what would happen, and whether the Government would keep faith with the farmer if, for war purposes, he expanded his production.

Mr. HUMPHREY. That is correct.

So, Mr. President, as a result of those appeals to the patriotism of the farmer, he increased his production. That was done because of the appeals made to him; it was not done because of 90 percent of parity price-supports. In order to persuade the farmer to comply with that program, a great campaign was made. As the Senator from North Dakota has said, Congress made large appropriations for that purpose. An organized appeal was made to the patriotic devotion of farm people to their country.

Mass meetings were held all over the country, calling on farmers to produce more, with less manpower to help them, less machinery to work with. Our great farmer-elected committee system in every rural township of every rural county proved its worth, in carrying the appeal to the farmers.

Mr. President, I wish to say to the representatives of the press, who now are in the press gallery—and I say it with all the sincerity at my command—that in 1952, when our farmers were called upon to increase their production in 1952 and 1953, the decision to make that request of the farmers was a Government decision to which there was no

dissent. As a result, the farmers increased their production. They did not do so because they were receiving 90 percent of parity. They received 90 percent of parity in 1948, 1949, and 1951. In 1951 and 1952 we did not have any great stocks of agricultural commodities. Instead, in 1952, we were running short; we were reaching a dangerously low level of reserves. I ask any representative of the press or any representative of the radio—those who carry this message to the American people—to check the facts, instead of accepting the gobbledygook which is run off the mimeograph machines in the Department of Agriculture. The simple truth is that the Government had to appeal to the farmers as patriotic citizens—as they are—to plant more crops, to increase the production of cotton, wheat, corn, fats, and oils. The farmers planted more. They got bumper crops. But ever since that day, some persons have been attempting to whip the farmers over the back because they did what their Government asked them to do.

Mr. President, the Government of the United States should be ashamed to treat its citizens in that way. What is more, those who continue to misrepresent that case should be ashamed of themselves.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. YOUNG. The Senator from Minnesota will recall that in July 1952, we were at war; and at that time our carry-over of wheat was only 255 million bushels—an extremely small amount for a war period.

Mr. HUMPHREY. Yes; and as the Senator from North Dakota will recall, at that time we were running short of fats and oils.

Mr. YOUNG. That is correct.

Mr. HUMPHREY. And we were using up our feed grains faster than we were getting them in the pipeline. In 1952, we had a ban exports of cotton, Mr. President. We did not know but that world war III might almost be upon us. One section of the populace that was ready to do its work was the farmers. We had the ever-normal granary plan, so that sufficient stocks would be on hand. I cannot see why our Government regards it as fit and proper to store food and clothing for the Navy Department and to have on hand a 20-year or 30-year supply of hamburgers, hats, canteens, rifles, and other items of equipment for the Armed Forces—and, of course, it costs money to store those items—whereas if anyone suggests that we have a little reserve—half a year's reserve or a year's reserve—of essential food and fiber, it is said, "It is gross waste to have such staggeringly large, monstrous surpluses."

Mr. President, what kind of an American would we think a person was if he went around the country saying, "I hear that the Government has a year's supply of 155 millimeter shells. That is an awful waste." What do you think would happen then, Mr. President? Such a person would be called before a congressional committee, and would be asked, "What kind of a subversive are you?"



Mr. President, does anyone think it does not cost anything to store the necessary reserves of shells, bombs, planes, and tanks? Why does not someone write an article about the storage costs in the case of munitions? Why does not someone write an article regarding the cost of inventories—a cost which is passed on to the consumers? Today, most of the inventory in agricultural commodities is, of course, in the pipe line of the Commodity Credit Corporation, because of the support program, in order that the farmer will have orderly marketing. Does anyone who is in his right mind think a private industry does not charge as a part of the cost of the finished product, the cost of maintaining an inventory? A businessman would have to have holes in his head if he did not do that, Mr. President. I do not know a great deal about business, but we have a rather large inventory in the small business I am in. Does anyone think that the cost of that inventory is not figured into the cost of the items we sell to our customers? Of course it is.

Does anyone think that the United States Steel Corporation does not include the cost of maintaining its inventory in the cost of the articles it sells? Of course it does.

The record of agriculture's response is a glorious one in our Nation's history. It is a disgrace, now, to tarnish that record by belatedly scolding farmers for producing what the Nation required of them.

Did we berate munitions makers for producing shells that were not needed? Or were we thankful they were not needed, and did we provide public funds to help the manufacturer convert to other items without any financial loss? Did we berate munition and plane manufacturers for producing shells and planes that were not needed, or were we thankful that they were not needed? Did we tell them it was their tough luck that Uncle Sam was going out of the munitions-buying business, or did we use public funds to settle their contracts and provide help for them to convert to other items without any financial loss?

We said to the big companies, "You are so patriotic. Of course, you have made a great deal of money, and you have tax write-offs. Now that the war is over, we are cutting down on defense orders, so we have made arrangements to help you shift your production or change-over."

However, Mr. President, what did we provide for the farmer? We gave him only criticism and complaint.

Mr. President, on tomorrow I shall resume this debate. If there is one thing that outrages my sense of fair play, it is that there has been no more unfairly criticized group in the history of our Nation than the farmers who, at the request of their Government, increased agricultural production. That is particularly true, if I may be pardoned for saying so, of the corn grower, the wheat farmer and the cotton farmer. The Government begged for those commodities. They were commodities which every official of the Government, Democrat or Republican, demanded that the farmer

produce. The farmer was told, "Flow up your fields. Forget about conservation. Plant and harvest, plant and harvest. We will see that nothing happens."

Up in the Red River Valley in Minnesota our farmers went ahead and planted wheat. Down in southern Minnesota, our farmers went ahead and planted corn. They did their job. Ever since then they have been booted around as though they were foreign subversives. I am fed up with it. I do not think very much of an official in Government who has such a short memory and such a lack of understanding of this problem that he cannot take into consideration the facts which I have recited.

This is a free and open forum, for anyone who wishes a good fight or a good debate. I am prepared, as I have previously stated, to take on all comers on this issue. I want to hear some member of the administration, or some of its sympathizers attempt to prove to the contrary of what I have said tonight. I want Mr. Benson to have one of his supporters, with whom he can talk and make special side deals, come to the floor of the Senate and point out to me that the farmer was not literally enticed into expanding his production.

The Department of Agriculture ought to be thanking the American farmers for what they did to fulfill their production goals, with no strings, no rapid tax writeoffs, no tax concessions, no 27½ percent depletion allowances. They did not get any braid or stars. They did not get their pictures in the newspapers. They did not receive any awards. All they got was a bawling out. They have become the targets of those who seek to show how mismanaged the program was, when, in fact, it was managed so well that this country is the best fed country on the face of the earth. Food commodities are cheaper in this country than they are in any other country on the face of the earth. This is the only country in the world where one can go on a diet voluntarily. In most other countries one must diet of necessity.

#### UNANIMOUS-CONSENT AGREEMENT

During the delivery of Mr. HUMPHREY's speech,

Mr. CLEMENTS. Mr. President, will the Senator from Minnesota yield so that I may propose a unanimous-consent agreement, with the understanding that he will not lose his right to the floor?

Mr. HUMPHREY. I am delighted to yield, with the understanding that the request and colloquy which may ensue will be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CLEMENTS. Mr. President, I send to the desk a proposed unanimous-consent agreement, which I offer for myself and the distinguished minority leader.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read the proposed agreement, as follows:

#### UNANIMOUS-CONSENT AGREEMENT

*Ordered*, That, effective on Thursday, March 8, 1956, at the conclusion of routine morning business, during the further consideration of the bill (S. 3183) to provide an improved farm program, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That when no further amendment is to be proposed, the amendments adopted shall be deemed to be engrossed and the bill read the third time; that a motion shall then be in order that the Senate proceed to the consideration of House bill 12, an act to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk, and for other purposes, to which motion the same limitation of debate shall apply as in the case of any other motion or amendment; that in the event the motion to take up the House bill is agreed to, it shall then be deemed to be amended by striking out all after the enacting clause and in lieu thereof inserting the provisions of Senate bill 3183, as amended; that the amendment shall be deemed to be engrossed and the House bill as amended read the third time.

*Ordered further*, That in the event the motion to proceed to the consideration of the House bill is not agreed to, the Senate shall proceed to the consideration of the question of the final passage of the Senate bill; otherwise it shall proceed to the consideration of the question of the final passage of the House bill, debate on either of which shall be limited to 4 hours, to be equally divided and controlled by the majority and minority leaders, respectively: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the Senate or the House bill, as the case may be, allot additional time to any Senator or Senators during the consideration of any amendment, motion, or appeal with respect to the Senate bill.

*Ordered further*, That in the event of the passage of the House bill as amended, Senate bill 3183 shall be deemed to be postponed indefinitely.

Mr. KNOWLAND. Mr. President, I had hoped that we might begin voting on the pending bill this week. I realize, of course, that there are reasons why that cannot be done. I had been very hopeful that we could at least begin voting on the bill by Monday of next week, or by Tuesday, or certainly by Wednesday of next week. Objections were made to beginning the voting on the pending bill on those days.

I certainly hope that we can now reach an agreement to begin voting on the bill on Thursday of next week. The pending measure comprises very important legislation. Members on both sides of the aisle recognize that fact. After the pending bill is passed by the Senate, if it is passed, further action will still be necessary in conference with the House. Therefore, if we are to give assistance to the American farmer, and bring legislation into being, it is important that we begin voting soon.



Mr. CLEMENTS. The colloquy between the Senator from Louisiana [Mr. ELLENDER] and the acting majority leader last week made it very clear that the acting majority leader was hopeful that on Monday we might agree to a unanimous-consent agreement to vote later in the week.

Mr. ELLENDER. The Senator means last week, of course.

Mr. CLEMENTS. Last week. I was hopeful that we would get a unanimous-consent agreement last Monday to begin voting sometime later this week.

However, as is often the case when an important legislative measure is before the Senate, particularly when many Members of the Senate are vitally interested in expressing themselves on it, sometimes it takes a longer time to reach an agreement.

I believe this is a reasonable agreement. I believe it gives to all the Members of the Senate on both sides of the aisle an opportunity to express themselves and to be heard on this very important legislation.

Mr. ELLENDER. Mr. President, I would be delighted indeed if no objection were raised to the proposed unanimous consent agreement. However, as has been stated by my friend from Kentucky, I had hoped that we would vote this week. That is entirely impossible now. I express the hope, however, that when we start to vote on next Thursday, the majority leader will ask the Senate to meet early on Thursday, perhaps at 10 o'clock, and request that the Senate stay in session a little later, so that we may dispose of the bill certainly not later than by Saturday of next week.

Mr. CLEMENTS. Mr. President, I will say to my friend from Louisiana that although I cannot look into a crystal ball and determine what the program will be on Thursday, Friday, and Saturday, I can assure him that I am hopeful that we may complete action on the bill at the earliest possible date. Certainly, the bill offers something to the American farmer that he is not receiving under the present law and under the present administration of the present law. Bad as the legislation which is on the books at this time may be, it could do much more for the farmer if it had sympathetic administration. I can assure the Senator that there will be no delay on my part to bring the bill to an early vote.

Mr. ELLENDER. I have been informed that 43 amendments have been submitted heretofore, and 2 more were submitted a few moments ago.

Mr. CLEMENTS. I will say that there have been three more submitted.

Mr. ELLENDER. If all the time allotted to these amendments is utilized, we may be working on the bill until week after next. But if we can start voting on Thursday, beginning at 10 o'clock, and sit late in the evening, I think it would be well to do so. Let us have it understood that if we cannot complete action on the bill on Friday there will be a session on Saturday.

Mr. CLEMENTS. I am not in position to commit the leadership to a schedule

of that kind. I think my friend understands fully why I would not want to do so at this time.

Mr. AIKEN. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I am delighted to yield to the Senator from Vermont.

Mr. AIKEN. I understand that amendments may be offered at any time up to the time voting starts.

Mr. CLEMENTS. That is my understanding, but I should like to have a ruling from the Chair on that point.

The PRESIDING OFFICER. Any amendment which is considered germane can be offered and discussed up to the time the unanimous-consent agreement goes into effect.

Mr. AIKEN. Also, in accordance with custom, at least, no vote will be taken on any amendment until the time the Senate meets on Thursday next.

Mr. CLEMENTS. It is my understanding that there will be ample speakers to consume the time between now and the time the unanimous-consent agreement will go into effect. It is certainly the understanding of the acting majority leader that there will be no amendment voted upon until after the morning hour on Thursday, provided the unanimous consent agreement is adopted.

Mr. AIKEN. That is my understanding, but I wished to have it spelled out in the Record.

Mr. ELLENDER. Mr. President, will the Senator from Kentucky yield further?

Mr. CLEMENTS. I yield.

Mr. ELLENDER. That is the understanding I have, and I have stated it to quite a number of Senators. It is my hope that Senators who have amendments to propose may in the meantime offer and discuss them.

Mr. CLEMENTS. The agreement would not bar discussion of such amendments.

Mr. AIKEN. Like the Senator from Louisiana, I had hoped we might conclude action on the bill this week, but if we cannot do it until next week it will be better than not to conclude action at all.

Mr. CLEMENTS. I think the Senator from Vermont was on the floor last week when the colloquy between the Senator from Louisiana and the acting majority leader took place. I was hopeful that we would get an agreement as of Monday of this week, but I think the Senator understands the operations of the Senate, and he also recognizes the very great importance of this measure and the desire of many Members of this body to express themselves upon the bill.

Mr. AIKEN. I understand, and I shall be reasonably satisfied if we can adopt the agreement which the acting majority leader has requested.

Mr. CLEMENTS. I think it is a very reasonable request, and I think, if it is adopted, it will give all the Members of the Senate ample opportunity to express themselves on the bill. On Tuesday or Wednesday of next week, if it looks as if there would not be sufficient time, there is no reason why the Senate could not sit longer hours.

Mr. SALTONSTALL. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. SALTONSTALL. Mr. President, it is my understanding, from listening to the acting majority leader, that there will be no voting prior to Thursday, March 8, and that it is the understanding of the acting majority leader that the time of the sessions and whether there will be a Saturday session is not being considered at this time. I understand that there will be a regular session on Thursday, which may start as early as 10 o'clock, and possibly the same on Friday, but there is no understanding that there will be a Saturday session. Is that correct?

Mr. CLEMENTS. That is correct.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the agreement is entered into.

#### ORDER FOR ADJOURNMENT AND FOR RECOGNITION OF SENATOR HUMPHREY TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its labors today it stand adjourned until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that following the morning hour tomorrow, the Senator from Minnesota [Mr. HUMPHREY], who will not conclude his statement on the bill tonight, be entitled to the floor.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. CLEMENTS. Mr. President, in order that the Record may be clear, the Senator from Minnesota has agreed to yield time following the morning hour, after he is recognized, to the Senator from Maryland for a statement on the bill which he desires to make.

#### THE AMERICAN SYSTEM

During the delivery of Mr. HUMPHREY's speech,

Mr. MALONE. Mr. President, will the Senator from Minnesota yield to me for a few minutes, to discuss another subject?

Mr. HUMPHREY. I am glad to yield, provided I do not lose the floor and that the remarks of the Senator from Nevada will be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MALONE. Mr. President, sometimes the day is brightened by a little water falling on the wheel that one has been turning almost by oneself for a decade.

The American system includes returning to the Constitution of the United States and the Bill of Rights in the regulation of foreign trade and the national economy.

The American system includes defending the area it is necessary for us to defend for our ultimate security



under the Monroe Doctrine principle and retaining the sole right to decide when and at what point our safety is threatened.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "The Flint the Senate Needs," written by Richard L. Jones and published in the Tulsa Tribune of October 29, 1955.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

What we know about Russia is very little. Two American newspapermen were recently given visas which admitted them into the Soviet capital to see what they were allowed to see, which wasn't much.

The nearest report we have seen that reveals even a glimpse of the vast Soviet empire comes to us from GEORGE MALONE, the United States Senator from Nevada.

Nevada is a rugged State. It is the home of rugged men. MALONE is a mining engineer. By education and vocation he is trained to deal with flinty facts.

Among the Washington correspondents there is not one who has seen more and knows more about life abroad and at home than John O'Donnell, the Washington correspondent of the New York Daily News. O'Donnell is a reporter who is as factually flinty as the mining engineer Senator from Nevada. They are friends.

Senator MALONE does not pretend to be a student of world diplomacy, but he puts his finger on what seems to be a significant fact. He reports, "The Russians are thinking and building in terms of centuries while we are thinking in terms of years. This is not a hundred-yard dash; we are in a marathon race."

Hundreds of Senators, Congressmen, newsmen, and other American tourist observers have visited Soviet Russia but, Mr. O'Donnell tells us, "The most dedicated anti-Communist who has visited Russia without any question is the tough Senator MALONE of Nevada."

"Furthermore," writes Mr. O'Donnell, "Senator MALONE stayed longer, saw more, traveled farther in Russia than any American we know of since the start of the big diplomatic freeze."

Continuing, Mr. O'Donnell says, "Reports started coming back from Moscow quoting MALONE's opinion about the political security of the Communist regime and their economic toughness. This caused some high brow-raising in Washington among those who remembered that MALONE, his fellow Republican MCCARTHY, and the late Democratic Senator Pat McCarran were the toughest of the anti-Communist bloc."

The propaganda stories that pictured the flinty Senator from flinty Nevada as having been softened by the Communists caused most Washington writers, including MALONE's good friend, to wonder if the Russians had a way with them that affected the clear thinking of those who had opposed their brutalities and dictatorial powers.

Lindbergh, it is recalled, was reprimanded, indeed repudiated because he told the truth about the military might of the Germans. MALONE is reported to have softened up because he assures that the Russians have no long-term peaceful intent. He, as Lindbergh once did, urges us to get our own house in order. In a personal letter to his friend, the distinguished Capital writer, John O'Donnell MALONE wrote a month ago:

"DEAR JOHN: I am indebted to the September 19 Atlantic edition of Time magazine for the information that you had mentioned me in one of your columns. Time wrote its usual garbled story when they do not agree—

"My work here is as complete as I can make it. Have been here a month—August 29 to September 28—tomorrow. Have covered the nation from Kiev on the west to Novosibirsk in the east in Siberia and from the Georgian Republic in the south (Tiflis) to Leningrad in the north. Traveled about 14,000 miles in Russia, inspected steel plants, aluminum plants, mining machinery in the Urals; agricultural machinery at Rubtsovsk, tractor plants, 'gang' plow plants all the way to central Asia at Tashkent and Fiergandy Valley, where they are irrigating 900,000 hectares—about 2,250,000 acres—from their rivers. (All in the heartland of Asia.)

"Well, John, I have the feeling after covering the Balkan countries—Czechoslovakia, Austria, Yugoslavia, Hungary, Romania, and Bulgaria and 14,000 miles in this country—that the area under Russian control can be made self-sufficient in everything they need for war or peace. And I also believe that there is no sign of revolt in the foreseeable future. They talk in centuries in Europe and Asia. We talk in years.

"I went to Bulgaria because I had reason to believe that they had uranium and other fissionable materials there, and my hunch was verified.

"John—if my feeling is correct that the Communist countries can become self-sufficient in the things they need for war and peace and that there is no sign of a revolt—then it behooves us to make our system work. And one way to do this is certainly not to raise our national debt limit every year to pay the \$7 billion interest on our national debt. We better cut off the foreign 'star boarders,' lower our debt, cut our taxes, and begin to put the emphasis on the things that will be used in any third world war—such as guided missiles, atomic energy submarines, sonic speed long range bombers, etc. Foot soldiers, as you and I knew them, will be as obsolete in the next war as a Civil War musket.

"Let's quit making a lot of obsolete equipment and sending it to Europe and elsewhere. We are not fooling anybody. We can build up the modern equipment cheaper than the \$32 billion per year we are now spending on our war economy.

"The time to have a business conference is just after you have paid a dividend—not when you owe the phone bill. The time to have a peace conference is when you can whip anybody.

"We all remember the Kellogg pact to outlaw World War II, the Dawes plan, and the 5-5-3 Navy disarmament program when Britain destroyed the blueprints. Japan built some battleships and we sank our battleships and then sold scrap iron and petroleum to Japan. The program of selling everything to a potential enemy except what some joker classifies as strategic material is cockeyed because shirt buttons are strategic material when you are getting ready to fight a war. So we must make up our minds whether to trade or not to trade. We are now trading through third nations and it does not make sense.

"We have to quit following those foreign nations whose policy is based upon ulterior motives—such as holding territory in colonial slavery four or five thousand miles from their mother country. That system is dead, John, and even we Americans, with all our power, can't hold it together.

"Sincerely,

"GEORGE."

MALONE spent 10 weeks touring Russia and her satellites. He comes back with facts and figures. And he asks his colleagues, "What are we elected for? To take the State Department's word for everything?"

The flinty Senator from Nevada assures us that we must make up our minds whether to conduct unrestrained trade across the Iron Curtain or stop all commerce with the Soviet zone and quit supporting allies who deal with the Reds. That is the kind of

flint we need in our Senate now. Don't forget the scrap iron we sent to Japan which was forged into weapons that were hurled against our sons.

MALONE makes the Senators who punished MCCARTHY look like the saps they are. It is the Senate itself that has gone soft, not MALONE.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial published in the Territorial Enterprise and Virginia City News, of Virginia City, Nev., of February 24, 1956.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### SENATOR MALONE MAKES SENSE

The proposal by Nevada's Senator GEORGE MALONE that the United States withdraw all and every military establishment from foreign soil and base its world military policy entirely in continental North America has, of course, been greeted with piercing bleats from the one worlders, the bleeding hearts, and the miscellany of emotional trash left over from the infamy of policy evolved to ruin the United States by Roosevelt, Hopkins, and all the other mushheads of a now discredited administration.

It is conceivable that the lawmakers in Washington will not see eye to jaundiced eye with Senator MALONE, but his proposal will serve notice on the administration that a resolute and ponderable portion of the American taxpayers want out, but completely, finally, and irrevocably, out of all the rathole delusions of saving the entire world by bankrupting America through ceaseless handouts and everlasting pulling out of the fire of other people's chestnuts. If we got so much as a thank you for bailing folks out it might be different, but France insists on coming apart at the seams at our expense, England, rolling in American dollars so that its economy has reached on all-time high and London is once more the luxury capital of the world, wants to do business with the Chinese Communist enemies of mankind and in Israel, a fanciful project floated on American currency, the happy populace is busy stoning the American consulate because we won't go to war for them against the Arabs.

Neither collectively nor singly does the United States need its alleged "allies" as much as they need America. We can get along, and elegantly, without all or any of them. They are a poor risk militarily and the rankest sort of dead beats financially. Except for such isolated eccentrics as the Finns who believe in paying their debts and the Greeks who said thank you in cordial terms for our helping to defend them from Communist aggression by the Russian orangutangs, none of them have so much as tipped their hats in the direction of the American taxpayer. Not only is the rest of the world busy looting the United States but it is kicking Uncle Sap in the pantaloons while doing it.

Senator MALONE voices the sentiments of a number of Americans who, if they were stood up and counted, would frighten the bejezus out of the professional wasters and spendthrifts in Washington. Our poor relations overseas would do well to consult Emily Post on acquiring at least a minimum of manners if they can expect the golden rain to fall incessantly or at least until such time as the United States is flat stonebroke, which may not be too far in the future.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

March 2, 1956  
March 1, 1956  
84th-2nd, No. 36

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HIGHLIGHTS: Senate continued debate on farm bill. House passed bill providing for Colorado River storage project. House passed General Government Matters appropriation bill for 1957. House committee recommended revision of civil Service system. Sen. Aiken inserted Asst. Secretary Peterson's Chicago speech.

## SENATE

1. FARM PROGRAM. Continued debate on S. 3183, the farm bill. pp. 3214, 3222  
Sen. Anderson (for himself and Sen. Holland) submitted an amendment intended to be proposed to the bill. p. 3209  
Sen. Young inserted a letter from Rev. Joseph Hylden opposing the soil-bank proposals. p. 3194
2. NATIONAL ECONOMY. The Joint Committee on the Economic Report submitted its report on the 1956 Economic Report of the President (S. Rept. 1606). p. 3196
3. NOMINATION. Confirmed the nomination of Franklin G. Floete to be Administrator of the General Services Administration. p. 3260
4. ORGANIZATION. Sen. Langer inserted a resolution of the Assoc. of Life Underwriters favoring legislation to implement the recommendations of the Hoover Commission. p. 3194

## HOUSE

5. APPROPRIATIONS. Passed without amendment H. R. 9536, the General Government Matters appropriation bill for 1957. p. 3305  
The bill includes a number of general provisions applicable to all departments and agencies. These provisions are the same as those contained in the 1956 Act except that a limit of \$1,800 has been inserted on the cost of station



wagons. The bill also includes appropriations for the management improvement fund, Budget Bureau, Council of Economic Advisers, Office of Defense Mobilization, and President's Advisory Committee on Government Organization.

6. RECLAMATION. Passed H. R. 3383, to authorize the construction, operation, and maintenance of the Colorado River Storage project, after adopting a committee amendment in the nature of a substitute for the original language of the bill (p. 3304). Adopted an amendment to the committee amendment offered by Rep. Avery providing that no basic crops should be grown on reclaimed land for a period of ten years (pp. 3291, 3293). After passage of H. R. 3383, S. 500 was taken from the table, amended by substituting the language of H. R. 3383 as passed for that of S. 500, and then S. 500 was passed. p. 3205  
Extension of remarks of Rep. Lipscomb opposing the Colorado River Storage project. p. A1961
7. FARM PROGRAM. Rep. Springer inserted the statement of Mr. Gehlbach, of the Soil-Bank Association, urging reconsideration of the soil-bank features of the Administration's farm program to conform to the proposals of the Association. p. 3310
8. WHEAT. Rep. Hoffman reiterated his allegations concerning the denial of relief for wheat growers who grow wheat for feed or seed from acreage allotment and marketing quota penalties. p. 3263
9. FOREIGN TRADE. Rep. Dingell urged a reaffirmation and revitalization of the American trade agreements program and free trade movements. p. 3315
10. FORESTRY. Rep. Hoffman defended the Administration's policies in the Al Sarena mining case and other matters relating to forestry. p. 3278
11. PERSONNEL. The Post Office and Civil Service Committee submitted a report, "United States Civil Service Commission," recommending a reorganization of the Civil Service Commission and a new basic law regulating the Civil Service system (H. Rept. 1814). pp. 3322, D182, D183
12. TRANSPORTATION. H. Rept. 1818, by the Merchant Marine and Fisheries Committee, "recommends to the House that it vigorously oppose all efforts to change or modify the Cargo Preference Act as presently applied to Government-sponsored cargos."

#### ITEMS IN APPENDIX

13. FARM PROGRAM. Rep. Johnson, Wis., inserted a Wis. Agriculturist magazine article containing the results of an opinion poll among farmers on questions of interest to the farm population. p. A1931  
Rep. Schenck inserted a constituent's letter expressing his opinions on the President's farm message and stating that "... I'd again like to register my wholehearted approval of the basic thinking of Secretary of Agriculture Ezra Taft Benson..." p. A1933  
Rep. Bentley inserted a constituent's letter and an article he sent to the Reader's Digest magazine discussing the farm problems and stating that "the only solution to the farm problem is to bring supply in line with demand." p. A1968
14. CONSERVATION. Sen. Aiken inserted Asst. Secretary Peterson's recent address before the Nat'l Agricultural Limestone Institute, Inc., "Conservation--A National Need." p. A1937



United States citizens, on the basis of faith, by Saudi Arabia. I am enclosing a copy of the letter I received, with the name of the writer deleted.

I have brought other aspects of this discrimination by Saudi Arabia to your attention in the past. I would now like your comments on the phase of the matter described by the writer of this letter. I feel it is an intolerable situation when our men in uniform are discriminated against on the basis of religious faith.

I would appreciate your comments on this situation, and any suggestions that the Department may have for remedying it. I would like to have these views as a basis for a reply to the young officer Chaplain who wrote to me. I have written a similar letter to the Secretary of Defense.

Yours very truly,

DEPARTMENT OF STATE,  
Washington, June 9, 1955.

The Honorable HERBERT H. LEHMAN,  
United States Senate.

DEAR SENATOR LEHMAN: The receipt is acknowledged of your letter of June 2, 1955, enclosing a copy of a letter from an Air Force Chaplain concerning discrimination by the Saudi Arabian Government against citizens of the United States on the basis of faith. According to the Chaplain's letter, he had particular reference to the policy of the Saudi Arabian Government of not granting visas to individuals of the Jewish faith.

As an aftermath of the hostilities in 1948 and 1949 between certain Arab States and Israel, certain Arab countries have refused entry to persons of Jewish faith and background regardless of nationality. Saudi Arabia, however, has refused entry to Jews for a considerable period of time, going back to the edicts issued by the early leaders of Islam.

It has frequently been brought to the attention of the Arab Governments that, under the United States Constitution and laws, all American citizens are equal, regardless of race or creed. Due to the efforts of the Department there has been some improvement in the travel situation since the end of the 1948-49 Israel-Arab hostilities. It is the Department's belief that, with a gradual improvement in Israel-Arab relations, there will be further relaxation of the travel restrictions by the Arab States. According to international law and practice, it is, of course, the fundamental right of any sovereign state to determine whether and under what conditions aliens may enter its territory.

Sincerely yours,

THRUSTON B. MORTON,  
Assistant Secretary.

JUNE 20, 1955.

DEPARTMENT OF THE AIR FORCE,  
Office of the Secretary,  
Washington, D. C.

DEAR SENATOR LEHMAN: I refer to your expression of personal interest concerning the "Clearance and documentations for leave and duty travel" for members of the United States Air Forces in Europe.

The countries of Saudi Arabia and Jordan for purposes of internal security will not issue a visa for persons of the Hebrew race. This restriction is not only applicable to American citizens, but applies to Jewish people of all nations. Further, Arabic countries, specifically Saudi Arabia and Jordan, will not issue a visa to any person regardless of race, if the passport of the individual is stamped with any marking which would indicate that the traveler had visited Israel prior to the application for entrance into Saudi Arabia and Jordan.

These restrictions are promulgated and enforced by the Arabic countries and are not within the prerogative of the State Department or the military to change.

The only exception to the above procedures is when the traveler receives special permission from the Arabic Government concerned to enter that country.

Sincerely yours,

HAROLD E. TALBOTT.

JULY 12, 1955.

Hon. H. E. TALBOTT,  
Secretary of the Air Force,  
Washington, D. C.

MY DEAR MR. SECRETARY: I have your letter of June 20. I am aware of the practice of the Governments of Saudi Arabia and Jordan in barring entrance to persons of Jewish faith. I had hoped, however, that the appropriate departments of the United States Government would work ceaselessly against any such regulation insofar as it affects American citizens. I was especially shocked to know that American GI's who happen to be of the Jewish faith are likewise discriminated against. I had hoped that far from simply taking cognizance of the matter, the Air Force would use its influence to the extent possible to see that this discrimination was not practiced against Americans who were serving their country in the Air Force.

Yours very sincerely,

HERBERT H. LEHMAN.

JULY 20, 1955.

DEPARTMENT OF THE AIR FORCE,  
Office of the Secretary,  
Washington, D. C.

DEAR SENATOR LEHMAN: I refer to your expression of personal interest concerning the practice of the Governments of Saudi Arabia and Jordan in barring entrance to personnel of the Jewish faith.

The Air Force is cognizant of the situation concerning restriction of travel to members of the Jewish faith to Saudi Arabia and Jordan. However, it must be recognized that we are dealing with a tradition of long standing, and in all probabilities, will take much effort and time on the part of all governmental agencies, including the Air Force, to try and work out a satisfactory solution with the countries concerned. The Air Force, together with other governmental agencies, has worked ceaselessly to abrogate regulations of this nature put into effect by foreign governments which affect American citizens. Unfortunately, as indicated in my previous letter, these restrictions or regulations are promulgated and enforced by foreign countries and are not within the prerogative of the Air Force to change.

The regulation placed in effect by Headquarters, United States Air Forces in Europe, concerning the clearance and documentations for leave and duty travel of its members, is an informative type regulation. The Air Force does not object to its members' traveling to any country while on leave as long as they are able to obtain an official visa from the respective country they wish to visit. Inasmuch as the Arabic countries will not issue visa to members of the Jewish faith, regardless of nationality, Jewish members of the Air Force are not permitted to travel in these countries.

I am taking the liberty of referring your letter to the Department of State for their consideration.

Sincerely yours,

HAROLD E. TALBOTT.

Mr. LEHMAN. This is not a new matter, Mr. President. It is old business. The State Department and the Defense Department are well aware of it. They continue to tolerate it. If they have made any protests, they have been feeble ones.

Last week the Secretary of State called this policy on the part of Saudi Arabia an "idiosyncrasy."

Mr. President, I do not consider it an idiosyncrasy. I consider it a shameful thing. I consider it something on the basis of which some forceful and positive action should and must be taken by the United States Government without further delay.

Our Government has not always been as apathetic about such matters as it appears to be today. Indeed, there is a startling and inspiring precedent which I commend to the attention of Secretary Dulles.

In the early years of this century, the czarist regime of Russia was pursuing with furious intent a policy of anti-semitism, a policy that aroused great resentment in the United States. Russia carried this policy finally to the extent of refusing to honor or to visa the passports of American citizens of Jewish faith or descent.

Did the American Government at that time call this an idiosyncrasy? No; that was not the policy of the administration of that day—and it was the administration of William Howard Taft, a Republican administration. Nor did the Congress sit idly by in the face of this repugnant circumstance. In 1911 the House of Representatives, by virtually a unanimous vote, passed a resolution calling upon the administration to denounce the treaty of friendship and commerce then in force between the United States and Russia, a treaty dating back to 1832. In 1913 President Taft did in fact abrogate that treaty on the ground that Russia had violated it by discriminating against a particular class of American citizens.

It seems to me that this action of 40 years ago should be carefully studied and reviewed by the officials of our Government and should be brought forcefully to the attention of the Government of Saudi Arabia.

I believe that the United States Government should now insist, with all diplomatic force, that the Saudi Arabian Government, and any other government which engages in such practices, cease forthwith to discriminate against American soldiers on the basis of their religious faith. We should not tolerate such discrimination. We should not accept it. Least of all should we enforce it upon our own soldiers.

By accepting this practice, and by barring American soldiers of Jewish faith from assignment to duty in Saudi Arabia, and by refusing to accept Americans of Jewish faith on military aircraft which land in Saudi Arabia, we are, in effect, condoning the practice. We become a party to it.

It is shameful. It is an affront to our dignity as a nation. It is an affront to the principles which underlie our country. It is an affront to our Constitution.

Mr. President, let me make one further analogy. During World War II we had bases, or at least operational establishments, for our Air Force, within the territory of Soviet Russia.

What would we have said if the officials of Soviet Russia had insisted, as a condition to our establishment of these vital air installations, that we assign to



this duty only Americans who are Communists, or that we bar from those operations any American soldiers who were capitalists or descended from capitalists.

It is, of course, a ridiculous thought. So is the present situation a ridiculous situation. Our airbase in Saudi Arabia may be an important one, but I doubt whether it is as important as the maintenance of the integrity of the United States of America.

I call upon the State Department to disavow, in its entirety, this practice. I call upon the State Department to renegotiate the contractual arrangements with Saudi Arabia and secure the elimination of any undertaking that we discriminate against Americans of any particular faith or creed, insofar as assignments to duty are concerned or in any other way.

If the State Department does not proceed to do this, a further explanation to the people of the United States is in order. I shall ask that the Senate Foreign Relations Committee go further into this subject.

The PRESIDENT pro tempore. Morning business is closed.

The Chair lays before the Senate the unfinished business, which is Senate bill 3183.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. ELLENDER. Mr. President, I understand that on yesterday afternoon when the Senate adjourned the distinguished Senator from Minnesota [Mr. HUMPHREY] obtained consent to have the floor this morning. I now ask unanimous consent that the senior Senator from Maryland may proceed for approximately 30 minutes, without in any manner affecting the right of the Senator from Minnesota to the floor.

Mr. LANGER. Mr. President, reserving the right to object, I should like to ask a question. Has the Senator from Minnesota been consulted about this matter?

Mr. ELLENDER. Yes.

Mr. LANGER. And it is agreeable to him?

Mr. ELLENDER. Yes.

Mr. LANGER. Mr. President, I have no objection.

The PRESIDENT pro tempore. Without objection, the Senator from Maryland is recognized. Agreeable to the order entered yesterday, the right of the Senator from Minnesota to the floor will not be prejudiced.

Mr. BUTLER. Mr. President, the Senator from Washington [Mr. MAGNUSON] will at the appropriate time make a motion to strike from the pending bill section 307 which makes it the most dangerous antimerchant marine piece of legislation to come before us for serious consideration during my tenure in the Senate.

Senators will recall that during the 2d session of the 83d Congress I was privileged to serve as chairman of the Water Transportation Subcommittee of the Interstate and Foreign Commerce Committee. While in that capacity I

introduced Senate bill 3233 which, after extensive public hearings, became Public Law 664.

That statute, often referred to as the cargo-preference bill, or the 50-50 law, is before the Senate today for repeal. There can be no doubt of this. Senators might think that S. 3183 is an omnibus farm bill. It might be that, but it is, on page 29, lines 4 to 9 inclusive, a great deal more.

Since lines 4 to 9 on page 29 of S. 3183 would, for all intents and purposes, destroy Public Law 664, the cargo-preference bill, those who seek its destruction or repeal should bear the burden of proving the necessity therefor.

Mr. ELLENDER. Mr. President, will the Senator from Maryland yield for a question?

Mr. BUTLER. I shall be very happy to yield.

Mr. ELLENDER. Will the Senator go into detail in his speech with reference to what the present law provides?

Mr. BUTLER. Yes; I shall.

Mr. ELLENDER. I do not wish to anticipate the Senator.

It was my understanding that the effect of that section of the farm bill to which the Senator is now referring deals only with such surplus commodities as are sold for soft currency, and no giveaway or donation is involved. As I understand, it deals with bona fide purchases made and paid for by the country buying the commodities with its own currency.

Mr. BUTLER. I assume that the Senator is saying that section 307 is restricted to title I of Public Law 480, whereas the taxpayers of America, as the Senator from Louisiana well knows, even in the cases he has cited, stand a loss, in that the foreign purchaser does not pay the world market price for the product he buys and the Government of the United States guarantees the convertibility of the currency. In those cases there is much of the earmarks of the giveaway. If the Senator will let me proceed with my statement, I think I can answer his question more fully.

Mr. ELLENDER. I do not wish to interrupt the Senator.

Mr. BUTLER. I want the Senator to interrupt me if he wishes to do so; but I intend to cover this phase of the matter in my statement.

Mr. ELLENDER. In what category would the Senator place the sale of cotton, let us say, which has been sold in the last 3 or 4 weeks in order to meet world competition? In that instance, the cotton certainly was not sold at prices prevailing in the United States; on the contrary, it was sold for from \$40 to \$50 a bale cheaper than our own domestic users could purchase it.

Mr. BUTLER. That is more of a giveaway than a commercial transaction. What is the purpose of section 307?

Mr. ELLENDER. Is that not the section which the Senator seeks to strike out?

Mr. BUTLER. That is the section which I seek to have stricken from the bill.

Mr. ELLENDER. I am sorry the Senator from New Mexico [Mr. ANDERSON] and the Senator from Vermont [Mr.

AIKEN] are not here to answer for themselves. They are the Senators who proposed the section. My understanding of the section was simply that it would permit any country which bought any of our surplus commodities with its own soft currency to transport such commodities in their own ships, if they so desired, or to hire other ships for that purpose.

I wish the Senator from Maryland would bear in mind that, so far as I understand—and if I am wrong, I wish him to correct me—the exception is to apply solely and wholly to surplus agricultural commodities purchased from the United States with foreign currency. In other words, the exception would not apply to commodities donated to needy persons abroad.

Mr. BUTLER. It would be, in part, a donation. I documented on the floor of the Senate, I think it was last week, an instance such as that to which the Senator from Louisiana has referred. For example, Great Britain refused to take tobacco from us at less than the world price with the use of her soft currency, because she could not transport the tobacco in British bottoms. What happened? In the end, we gave the tobacco to Great Britain.

Great Britain used the money she would have paid us for the tobacco, had she not gotten out under the subterfuge of this law, to build barracks in Great Britain, for which the American Government pays rent today for the housing of our servicemen in Great Britain. When the United States withdraws its troops from England, the barracks will revert to Great Britain.

Mr. ELLENDER. I am in complete accord with my good friend from Maryland where donations are involved. But suppose Sweden desired to buy wheat from the United States at the world market price?

Mr. BUTLER. The present law which, in effect, would be repealed, has nothing to do with ordinary commercial transactions. The law has to do only with cargo owned by the Government of the United States or with United States Government-financed cargo. In other words, it applies only in cases where the American taxpayer has a stake. When the taxpayers' money is at hazard, and there are some of the elements of a giveaway in the transaction, then half of that type of cargo must be carried in American ships.

Mr. ELLENDER. I agree with the Senator that as to transactions which are giveaways we should apply the Cargo Preference Act. But in cases of bona fide sales, in which the payment is to be made in soft currency, I do not see why the purchaser should not be permitted to use bottoms of his own country, or any other bottoms he prefers to use.

Mr. BUTLER. The reason is that there is an element of hazard, and the Government of the United States, and in the end the taxpayers of the United States, will take a loss on all such transactions. The Senator knows that to be true.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER (Mr. LANGER in the chair). Does the Senator



from Maryland yield to the Senator from Louisiana?

Mr. BUTLER. I am happy to yield to the Senator from Louisiana.

The Senator knows there is always a hazard in handling soft currencies.

Mr. ELLENDER. In what respect?

Mr. BUTLER. They are subject to the most extreme fluctuations.

Mr. ELLENDER. That is also true of the American dollar, is it not? Our dollar today is worth 38 or 39 cents.

Mr. BUTLER. I would not say the American dollar is soft currency, by any means.

Mr. ELLENDER. No, but the fluctuation to which the Senator refers is as well applicable to the American dollar as it is to the currencies of England and other nations, although perhaps not to the same degree.

Mr. BUTLER. I do not agree with the Senator at all. I do not think that is so.

Mr. ELLENDER. I am merely asking a question without expressing a fixed opinion, so that my good friend from Maryland may, in the course of his statement, make a distinction, if he will, in the case of bona fide sales. Sweden, for instance, might buy wheat from the United States, and we, in return, might use their currency to buy pulpwood or steel from Sweden. It is cases like that which I wish to have my good friend discuss, to ascertain whether he does not think some exceptions should be made.

Mr. BUTLER. No; I do not think any exceptions should be made. The moment an exception is made, the American merchant marine will be destroyed. I think I can prove that conclusively. In all the transactions to which the Senator from Louisiana has referred, the American taxpayer, who has paid 90 percent of parity for the product involved, is losing money, and he also is being put to the hazard of losing money through the convertibility of the soft currency.

In all such cases where the Government has a stake, I think the American taxpayer has a right to demand that half of the cargo be transported in American ships.

I had anticipated that the attack support for section 307, as the Senator from Louisiana will notice from the remarks which I shall make later, would be on the basis that the cargo preference law was slowing the disposal of farm products. That was the chief complaint I had heard. I had not heard seriously urged before, the complaint which the Senator from Louisiana is now urging.

Mr. ELLENDER. If the Senator from Maryland will permit me—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. BUTLER. I yield.

Mr. ELLENDER. It is my understanding—in fact, I so gathered from the discussion before the committee—that the United States could no doubt sell considerably more goods to some of the foreign countries which are well able to pay, provided we accepted their currencies, and they were permitted to hire bottoms of their own choosing in order to transport the goods, and provided,

further, that the United States, in turn, would use the currencies obtained in such transactions in order to buy from the purchasing countries goods that we need.

Mr. BUTLER. We who aided in the enactment of the cargo preference bill willingly carried the burden of proving its merit before it became law. Therefore, those who now seek to repeal it should come forward and bear a similar burden. Indeed it seems to me that their burden should be an even heavier and more mandatory one, for when Public Law 664 was enacted we were doing little more than writing into permanent legislation a principle—namely, that 50 percent of Government aid and Government financed cargoes should travel aboard United States-flag vessels—which had been in effect for years.

In fact, before that time we had gone to the trouble of including that provision in at least eight foreign aid bills, as the Senator from Louisiana knows.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LANGER in the chair). Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. BUTLER. I yield.

Mr. ELLENDER. I may state to my good friend from Maryland that I have always voted as he has on the subject he is discussing. I am sure the Senator remembers that.

Mr. BUTLER. Yes, I do. I thank the Senator.

Now, if we are agreed that, in logic and fairness, it is only fitting that those who have written lines 4 to 9 on page 29 into S. 3183 should bear the burden of proving their justification and usefulness, let us see whether they have carried their burden. Unquestionably they have not only failed to sustain the burden of proof, but, indeed, they have deliberately—or, what is equally inexcusable, carelessly—avoided justifying their anti-merchant-marine move.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. ANDERSON. Does the Senator realize that the provision went into the bill by unanimous vote of the Committee on Agriculture and Forestry? It was not done merely by one Senator.

Mr. BUTLER. I may say to my dear friend that the provision went into the bill by vote of the Committee on Agriculture and Forestry before there were any hearings held on the provision, and after we had been assured that hearings would be held, and at a time when the House Merchant Marine and Fisheries Committee was holding extended hearings on this very same subject.

I think that a little later the Senator from Washington will move that the bill be referred to the Committee on Interstate and Foreign Commerce for the purpose of holding hearings on this provision.

Mr. ANDERSON. That would solve a great many things for a great many people.

Mr. BUTLER. But the Senator will admit that there were no hearings held on the provision, and the provision was

put into the bill at the very last minute before the bill was reported to the Senate.

Senators will also recall that in the closing days of the last session, during debate on the floor of the Senate on the subject of whether the cargo preference principle should continue to apply to the disposal of surplus agricultural commodities, we were assured by members of the Committee on Agriculture and Forestry that the entire matter would be explored thoroughly in public hearings during the early days of this session. That was fair. It made sense. And the drive to kill the 50-50 principle subsided for the time being.

Those of us who know the principle's merit thought little more about the matter. Some took the precaution to write members of the Agriculture Committee, requesting that if and when the committee again considered removing the surplus agricultural commodities disposal program from the coverage of the cargo preference law, public hearings be held. They received assurances that before such a step was taken, public hearings would be held and all interested parties would be given ample opportunity to present their views.

Then, out of the blue, while the House Merchant Marine and Fisheries Committee was busily conducting extensive and well-publicized hearings on the question of whether the cargo preference law has impeded the disposal of surplus agricultural commodities, the Senate Agriculture Committee overnight, and without the benefit of any hearings on the subject whatsoever, reported a bill containing, as I have labeled it, the most anti-merchant-marine provision which has come before the Senate for serious consideration during my 6 years in office.

Therefore, today we are faced with the problem of whether or not we shall amend S. 3183 so as to strike from it lines 4 to 9 on page 29.

First, let us get a few facts clear in mind. In order to put this problem into its proper perspective, it is well to remember that there has been no conflict until now between the American merchant mariner and his brother, the American farmer. The American farmer has realized that the best if not the only reliable means he has of reaching foreign markets is via American-flag merchant vessels. The American farmer remembers instances during and after the First World War when American farm exports rotted on our docks for want of tonnage to carry them abroad. The American farmer remembers that all too often when American-flag vessels were not available, foreign ships carried our farm exports, but only at costs so high that there was nothing left for the farmer when the freight bill had been paid.

This has not been a one-way street. The American merchant mariner has recognized his debt to, or, better yet, his partnership with, the American farmer. Of at least incidental interest is the fact that the American merchant mariner purchases approximately \$56 million worth of agricultural products annually from the American farmer for the American-flag ships.



Parenthetically, too, I should state that many farmers and farmer groups do not favor a repeal of the cargo preference law. For example, last fall the National Grange resolved:

The National Grange considers the American merchant marine an indispensable link to foreign markets as well as an important auxiliary to our national defense. Agriculture and our maritime industry have a mutual interest in building and developing expanded foreign export markets for United States farm products. We therefore support the policies previously adopted by our Government to place American ships serving essential trade routes on a basis of competitive equality with foreign merchant fleets and assure United States merchant ships a fair and equitable share, which the law now establishes as at least one-half, of United States financed cargoes.

So, it can safely be said that until now there has been a true brotherhood or community of interests between the American farmer and the American merchant mariner.

A second fact we must not lose sight of is that unless we strike this anti-merchant marine provision from S. 3183—and I am now quoting from some recent testimony given by the Maritime Administrator, Mr. Clarence Morse, to the House Merchant Marine and Fisheries Committee—the loss of 50-50 will “cause the elimination of the so-called tramp fleet.”

No one knows more about this than does the Maritime Administrator. If, as he predicts, the repeal of the cargo-preference principle would force the lay-up of our tramp fleet, what would that mean to the American farmer and to our Nation?

Well, if our tramp fleet were laid up, the first thing which would occur would be the loss of employment for every American seaman now serving aboard American tramp vessels. Since at the present time there are more than 70 such vessels actively engaged, and since each employs approximately 40 American seamen, this would mean wiping out approximately 2,800 to 3,000 jobs at sea for American merchant mariners.

With the American-flag vessels thus laid up, having in such lay-up status little national defense value, it would lead to a tidal wave of applications by their owners for permission to transfer or sell them foreign.

And so, knowing, as we should, from the Maritime Administrator's statement, that the abandonment of the 50-50 principle would destroy our tramp fleet, I say to my colleagues that unless the motion of the Senator from Washington is agreed to, we shall shortly see our tramp fleet laid up for a brief period before it sails over the horizon to foreign registry, destroying forever thousands upon thousands of job opportunities for American seamen.

Will the farmer benefit from this destruction of our American tramp fleet? Of course not. This is the irony, the pity—no, the ridiculousness—of the course we will be steering unless the Senate agrees to the motion of the Senator from Washington. Were it not for the American tramp fleet's bidding for the carriage of surplus agricultural commod-

ities, the foreign tramp operators would have our farmers and, indeed, the entire disposal program, at their mercy. Stated in another way, the presence of the American tramp fleet acts as a competitive deterrent to the natural desire of foreign-flag vessel owners who will always, understandably, I concede, seek to charge what the traffic will bear.

Now, there is a third fact of which we must not lose sight. I, for one, consider it of prime importance that—and this is undisputed—our program under public law 480 to dispose of \$1.5 billion worth of surplus agricultural commodities is considerably ahead of schedule. Yes, I said ahead of schedule. As proof of this fact, I offer for your consideration, Mr. President, the recent testimony of the Department of Agriculture witness before the House Merchant Marine and Fisheries Committee, to the effect that \$1.2 billion worth of Public Law 480 sales, at CCC cost, will be consummated by spring. Since the goal under the law is only \$1.5 billion, and since more than 12 months will remain, the demonstrated ability to reach the program's goal is far greater than many had imagined.

Does not this prove conclusively that all the anti-50-50 arguments presented by those who might seek to defeat my amendment mean nothing more than this: that without the 50-50 arrangement we might be able to get even further ahead of schedule in the disposal of our \$1.5 billion worth of surplus agricultural commodities than we already are. For the life of me, I cannot see any justification for scuttling our merchant marine because thereby we might be further ahead of schedule than we already are in disposing of our surplus agricultural commodities.

The fourth fact worth considering is that although the Merchant Marine Act of 1936 provides that the Nation shall maintain a merchant marine capable of carrying a substantial portion of its foreign trade, last month American-flag vessels, even with the aid of the cargo-preference bill, transported only 16 percent of our export trade. No one will contend that 16 percent is a substantial portion. As I reported to the Senate on February 21, within the last 12 months we have suffered a 20-percent decline in the percentage of our exports and imports carried aboard American-flag vessels. And this decline has come about in spite of the help rendered by the Cargo Preference Act. I say to you, Mr. President, that those who now seek to violate the well-established cargo-preference principle remind me of those who delight in adding insult to injury.

Let me suggest that none of us make the mistake of assuming that the Cargo Preference Act applies to commercial cargoes. It applies only to cargoes financed by the American taxpayer, which never would move but for governmental aid and assistance. I mention this for the reason that certain spokesmen for foreign shipowners have contended that the Cargo Preference Act is unsound in that it applies to commercial transactions. Nothing could be further from the truth, Mr. President.

More particularly, under Public Law 480, the agreements are negotiated at Government level. Prices are not set by commercial standards. The losses are borne by the American taxpayers, and the acceptance of nonconvertible currencies reflects critical inducements made by the United States which no commercial exporter would ever make. Indeed, about 65 percent of the foreign-currency proceeds are either given back or are loaned back to the buyer nations, or are used in other ways for the direct benefit of the economy of the purchasing country or a third country.

Within the last few days—on February 27, to be specific—the House Merchant Marine and Fisheries Committee, after holding extensive public hearings, has filed a report—House Report No. 1818—strongly defending the Cargo Preference Act, and calling upon Members of the House of Representatives to oppose vigorously all efforts to change or modify it. In addition to urging all Members of the Senate to obtain a copy of this comprehensive and objective House report, I wish to take this opportunity to bring to the attention of the Senate certain matters contained therein which I consider most pertinent to our consideration of the problem at hand.

The report, after posing the question, “Has the cargo preference law imposed an excessive financial burden upon the appropriations made available for carrying out title I, of Public Law 480?” states:

Definitely not. This objection clearly will not stand the test of factual analysis. Here again, the committee refers for evidence not to data supplied by the maritime industry or even by the Department of Commerce, but to testimony from the opponents of the 50-50 law.

As a matter of fact, the committee found that the American merchant marine, through use of reserve fleet vessels for grain storage purposes, is lightening the financial burden upon agriculture appropriations. As a rough calculation, it was estimated that storage charges amounting to almost \$22 million annually are saved through the use of merchant vessels in the several reserve fleets. This is, in effect, an indirect subsidy afforded to agriculture by the American merchant marine.

Skipping a few paragraphs, but still under the question of whether the cargo preference law has imposed an excessive financial burden upon the appropriations made available for carrying out title I, of Public Law 480, the House report, after establishing that the cost differential attributable to cargo preference is about \$3 million, or approximately one-half of 1 percent of the program's cost to date, states:

But what does agriculture get for the differential paid to United States tramps? The \$3 million paid in this connection represents less than one-half of 1 percent of total program costs to date. This \$3 million has kept 70 American-flag tramp vessels in operation and available for title I—Public Law 480 cargoes. It stands to reason that the existence of 70 vessels must have had a significant effect on any freight rates which are fixed by the law of supply and demand, as tramp rates are. If any estimate could be made, this factor alone has probably accounted for the entire \$3 million.



In fact, the testimony from all witnesses as to the state of the present market in which foreign-flag tramp rates have approached and in some cases even exceeded American-flag tramp rates, was to the effect that the control feature of Public Law 664 has acted as "an umbrella" over freight rates and kept them within reasonable limits.

Later in the House report this question is posed: "Is the cargo preference law essential to the American merchant marine?"

The following answer, in part, is given:

Definitely yes. The fact is that no member of the committee, informed as they are with respect to maritime matters, realized prior to the hearings just concluded how vitally necessary the Cargo Preference Act is to the American merchant marine. The more serious problem presented by the evidence now of record before the committee concerns the fate of our merchant fleet when the aid programs of the Government terminate. But first let us analyze the existing situation with the aid of uncontested statistics.

There are today a little over 1,000 ships in the active operating American merchant marine. Even the most conservative estimates from defense experts place this figure as representing a deficiency of several hundred vessels from what would be needed immediately upon the outbreak of a new war.

Moreover, today the American merchant marine is carrying about 22 percent of the export-import commerce of the United States. In exports alone, where the aid cargoes are assured to United States-flag ships by force of the 50-50 law, some statistics showed we are carrying only 16 percent overall and the foreigners, the remaining 84 percent.

Mr. President, at this point let me interpolate that we carry but 16 percent of our export trade in American bottoms and that the berth liners carry the bulk of that trade which bears the same freight rate as that paid to the foreign ships for what they carry.

Skipping a few more paragraphs, we find that the House Committee concluded its answer to this question with the following statement:

So the committee has concluded not only that the cargo preference law is vital to the American merchant marine but that the national defenses of the United States would be needlessly jeopardized by any weakening changes in the provisions of Public Law 664. The tragedy of the situation is the lack of knowledge and understanding of the problem by those who publicly favor some amendment of the law. Those who testified along that line professed to having no facts on the effect such action would have on the merchant marine.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. ANDERSON. I am not sure that the Senator from Maryland understands the reason why the provision is in the bill. Does he think that any member of the Committee on Agriculture and Forestry who voted for that amendment had previously voted against the Cargo Preference Act?

Mr. BUTLER. I say to my friend from New Mexico that I think the passage of the agricultural bill containing section 307 would, in effect, destroy the American merchant marine. The House

committee, which had that very question before it, has just reached the same conclusion, after a very extensive hearing. The committee says in its report that it arrived at that conclusion through the testimony of the opponents of the 50-50 principle.

Mr. ANDERSON. I only wished to make the point that I think nearly all of us—I believe all of us—who voted to put that provision in the bill had supported the Cargo Preference Act when it was originally passed. I cannot think of a single member of the committee who voted against it.

Mr. BUTLER. Then why was not the precaution taken of holding public hearings, so that a full understanding of the proposal could be had before section 307 was inserted in the bill?

Mr. ANDERSON. I think I can answer that question. There was a bill pending last July to which I intended to offer an amendment containing the identical language of title I of Public Law 480, which relates to sales for foreign currency only. It is contended that when a country lays down its own money to buy agricultural commodities, we should not specify that it must use American ships.

Mr. BUTLER. The Senator was not present when I covered that point. I should like to be accurate about it, so I shall reread that portion of my remarks:

Indeed, about 65 percent of the foreign currency proceeds are either given back or are loaned back to the buyer nations, or are used in other ways for the direct benefit of the economy of the purchasing country or a third country.

In other words, in 65 percent of all the so-called bona fide transactions to which the Senator is referring, the American taxpayer is in effect giving the product away. If we are going to give American commodities away, we can certainly transport half of them in American ships. We certainly ought to carry half.

Mr. ANDERSON. Who is the author of that statement?

Mr. BUTLER. I can verify the accuracy of it. I can assure the Senator that it is an accurate statement. It is in the President's report to the Congress on Public Law 480.

Mr. ANDERSON. All I wish to say to the Senator is that we had hoped that, as a result of the colloquy which took place in July, in which the junior Senator from South Dakota [Mr. CASE], as well as the senior Senator from South Dakota [Mr. MUNDT], and various other Senators from the farm area expressed their dissatisfaction with this situation, an amendment would be presented at that time. I understood from the acting majority leader that some assurances had been given to various Senators, including the Senator from Maryland, that such a provision would not be offered to the bill. Naturally, if such assurances had been given, then, of course, it would have seemed improper to propose it. It was a very difficult day for the acting majority leader, because the senior Senator from Texas [Mr. JOHNSON] was for that day, for the first time, in the hos-

pital at Bethesda. Neither the Senator from Kentucky [Mr. CLEMENTS] nor any other Senator was seeking to cause the majority leader any difficulty.

Therefore, the junior Senator from South Dakota [Mr. CASE] came over to me and said, "If you think this provision should be stricken out, if we cannot bring it up today, why do we not jointly introduce a bill?" I was busy with some hearings then in progress before the Joint Committee on Atomic Energy. I said, "FRANCIS," if I may use such a familiar term on the floor; I think I have known the junior Senator from South Dakota longer than has any other Senator, "if you are prepared to introduce such a bill, put my name on it." The bill was introduced. That was prompt action.

August came and went; the fall vacation came and went. January and February came and went, and no action was taken until we placed this provision in the bill. Then there was some assurance that we might have a hearing at some indefinite time. If there had been a hearing in January, that provision might not have been in the bill.

Mr. BUTLER. I covered that point a little earlier in my remarks. We were given definite assurance that there would be a full and complete hearing on section 307. Also assurances were given to the Veterans of Foreign Wars, the American Legion, the AFL, the CIO, and a number of other organizations, the names of which were placed on the desks of Senators yesterday, that such hearings would be held, but no notice was given that section 307 would be inserted in the bill.

The Senator from New Mexico will know better than I, because he was present, but I understand that section 307 was inserted in the bill at the very last minute, before the agricultural bill was ordered to be reported to the Senate, and that it was inserted at a time when the House Merchant Marine and Fisheries Committee was conducting its hearings on this very subject, and before it had made its report.

Mr. ANDERSON. Whose fault was it that there were no hearings? The bill was introduced by the Senator from South Dakota [Mr. CASE]. It had to be referred to a committee, the Committee on Agriculture and Forestry. But was a hearing called?

Mr. BUTLER. I cannot answer that question.

Mr. ANDERSON. No hearing was called.

Mr. BUTLER. The chairman of the Committee on Agriculture and Forestry had promised that there would be hearings on this particular section. He had made such a promise not only to Senators, but to several organizations. Such hearings were not held.

Mr. ANDERSON. Of course, I would instantly arise to defend the chairman of the Committee on Agriculture and Forestry, as would the Senator from Maryland, against any charge of irregularity.

Mr. BUTLER. Certainly.

Mr. ANDERSON. I know that when the subject was brought up, the chair-



man of the committee suggested to the committee that he felt there ought to be hearings, because he had been approached on the subject. I assure the able Senator from Maryland that no one could have been more conscientious and upright on that point than was the able Senator from Louisiana.

Mr. BUTLER. I will say to the distinguished occupant of the Chair [Mr. ELLENDER] that I would never impute to him any bad motive. I think he is a man of the highest character and a man of great ability. I am very fond of him.

Mr. ANDERSON. I subscribe most heartily to those sentiments. What I tried to say was that the Senator from Maryland certainly had not pledged every member of the committee. So far as I know, no one had extracted any sort of pledge from me, and I do not know of anyone who had approached the Senator from Florida [Mr. HOLLAND]. I do not know that anyone approached the Senator from Mississippi [Mr. EASTLAND]. They sat beside me as the vote was cast.

I do not know of any member of the Committee on Agriculture and Forestry who wants to destroy the American merchant marine. We have tried to point out that, the way this particular section has been administered, it has been a terrific blow to American agriculture.

Mr. BUTLER. In what respect?

Mr. ANDERSON. By reason of various countries saying, "We will not buy under this program if you are going to tell us what ships to use, or if we must use American bottoms."

Mr. BUTLER. Does not the Senator know that the only possibility of any conflict in that connection is in relation to a very small percentage of cargoes which move in tramp ships? Even then, there is a differential of only 25 cents a ton. It is nothing in the world but a blind on the part of other nations to cover up their efforts to retire the American merchant marine and tie it up so that they can charge any freight rates they may wish to charge.

Mr. ANDERSON. I do not know that, of course.

Mr. BUTLER. That would be the result.

Mr. ANDERSON. The American Farm Bureau Federation, an organization representing 1,600,000 farm families, took a position on this question.

Mr. BUTLER. I call attention to the fact that the National Grange has adopted a resolution endorsing the 50-50 principle. The National Farmers Union has also endorsed it.

Mr. ANDERSON. We are talking about what happens in connection with this particular section when foreigners come forward and try to buy our surplus commodities with their own currency. All I was about to suggest to the Senator was that if there had been a feeling on anyone's part that this matter might be adjusted, so that in situations where countries make bona fide offers to buy commodities with their own currencies the provision could be waived, I believe something could have been done along that line. No one came before the Committee on Agriculture and Forestry to suggest that there was any possibility in

that regard. The only answer was "Never mind the farmers. They will have to take it."

Mr. BUTLER. Does the Senator from New Mexico say that we should waive the provision of the 50-50 law if in fact 65 percent of the cargoes to which he refers go to a country by way of gift or for the purpose of assistance?

Mr. ANDERSON. That is not what I did say. That is why we have had so much trouble with this provision. If those who wish to keep the provision in the law would take the time to try to find out what farm organizations object to, we would not have such a provision in the bill. If we had an opportunity to sit down and discuss the subject, or had an opportunity to be heard by an appropriate committee—and I admit that the Committee on Interstate and Foreign Commerce probably is the appropriate committee—for even so much as a half hour, instead of not being given even so much as the courtesy of a passing glance, that provision would not be in the bill.

Mr. BUTLER. I may say to the Senator from New Mexico that if we had a full hearing on it, I am satisfied that the Senator from New Mexico and the Senator from Louisiana and the Senator from Vermont and other Senators would be convinced that the 50-50 principle is essential to maintain the American merchant marine, and that a deviation in the present regard would destroy the American merchant marine.

Mr. ANDERSON. Mr. President, let me say only that I have the highest respect for the members of the Committee on Agriculture and Forestry. Even though they differ with me on the way to handle agricultural matters. I go out of my way to express my high esteem for the members of that committee. I wish to say to the able Senator from Maryland that I believe if we had had a chance to discuss the subject we might have found a way of avoiding the route we have taken.

I for one do not wish to destroy the 50-50 provision of the law. But I believe that when agricultural surpluses are as high as they are today, and when agricultural trade stops, as it has stopped, even the maritime trade suffers greatly. If the Senator from Maryland will take the trouble to read the figures with respect to the export of cotton and note how our share of the world market has decreased in a relatively few years from more than 40 percent down to 20 percent, he might realize what the farmers are worried about.

I do not say that it is not still possible to find a solution to the problem. However, I believe that some assurance should be given that the farm program, which is a good program, will not be blocked in certain areas of the world by a requirement which seems to be unreasonable.

Mr. BUTLER. I do not believe it will be blocked. I say that for this reason: As I pointed out on the floor of the Senate last week—and I made reference to it again today—certain people who would come forward and make purchases—as the Senator from New Mexico sees fit to call these transactions—of our surplus commodities are, in fact, not

interested in the momentary business of carriage, but are interested primarily in tying up the American merchant marine.

I pointed to a factual situation in my colloquy with the Senator from Louisiana [Mr. ELLENDER], when I referred to British purchases of tobacco. The British would not take the tobacco because we wanted half of it carried in American ships. We wound up by giving the British the tobacco. They with an equivalent amount built barracks in Great Britain. We pay rent for the barracks during the time we use them. When we leave, the barracks belong to the British. In other words, the British got the tobacco for nothing.

Mr. ANDERSON. Mr. President, will the Senator from Maryland tell us how that helped the American merchant marine?

Mr. BUTLER. It did not help anyone. However, we must take a firm stand on a principle. I have the highest respect for all members of the Agriculture Committee, and I do not impute to them any desire to destroy the American merchant marine. Certainly not. However, I say your understanding was not my understanding of the implications of section 307. The adoption of section 307, in my opinion, and in the opinion of the House Committee on Merchant Marine and Fisheries, which has held long hearings on the subject, as well as in the opinion of many people who are well qualified to speak on the question, would destroy the American merchant marine.

Mr. ANDERSON. I have sent for a copy of the House hearings, but have not received it yet. Was the question of the transportation of title I goods raised in the House hearings?

Mr. BUTLER. The House committee went into the whole situation.

Mr. ANDERSON. It took testimony on it?

Mr. BUTLER. It took very extensive testimony on the whole subject, and the committee pointed out—and I am doubling back on the text of my speech—that had it not been for the American merchant marine, with some 70 tramp ships available, ocean-cargo rates would go so high that we would not be able to give the food away, because we would be at the mercy of foreign shipping.

Mr. ANDERSON. I heard that portion of the Senator's speech. All I am trying to say is that this sort of situation might not have developed if we had been extended so much as the courtesy of a hearing.

Mr. BUTLER. The Senator feels aggrieved, as I do. I feel aggrieved by the fact that the Committee on Agriculture and Forestry gave us no hearing on this matter. The Senator feels aggrieved because the Committee on Interstate and Foreign Commerce has not held a hearing on the subject.

Mr. ANDERSON. No. I am quite well convinced that the Committee on Interstate and Foreign Commerce had no intention of holding a hearing. I believe it was felt that the matter would stay bottled up.

Mr. BUTLER. Will the Senator from New Mexico tell me why the House committee, which had no legislation at all



before it, went into every phase of the 50-50 principle and came up with the statement that any weakening of that provision of the law would have very detrimental results, not only to the American merchant marine, but also to the defense of the United States?

Mr. ANDERSON. I do not intend to take the Senator's time this afternoon. I merely wish to suggest that if there is any possibility that he can work out language which will protect the American merchant marine and at the same time not crucify the American farmer, we might find a solution to the problem.

Mr. BUTLER. How can the Senator say the American farmer is being crucified when under Public Law 480 we have agreed to sell a billion and a half dollars worth of our surplus agricultural commodities before the end of the summer of 1957, and the Department of Agriculture representative told the House committee that by the spring of 1956, a billion two hundred million dollars worth of surplus commodities will have been committed? I do not believe there is any validity to the contention that we are holding anything up.

Mr. ANDERSON. I have heard that figure used, but I have not been able to lay my hands on it.

Mr. BUTLER. I assure the Senator it is an accurate figure, submitted by the Department of Agriculture.

Mr. ANDERSON. That is not the testimony we received from the Secretary of Agriculture. I do not know where we are tied up, but I shall try to find out. It may be that the Senator's figure is accurate. However, I wish to point out that when the matter was under consideration before the Committee on Agriculture and Forestry, a question was raised as to how much we should put into Public Law 480. The question was raised whether we should put in 1 billion, 5 billion, or 10 billion. The chairman of the committee and the other members of the committee suggested, very wisely, that we start with a modest figure, and we agreed on a billion and a half dollars worth.

Mr. BUTLER. I should like to point out one thing to the Senator. The American merchant marine today carries approximately 22 percent of the export-import trade of the United States. Seventy percent of that commerce travels in what we call berth line steamers, which have the same freight charge for both foreign and American cargoes. The remainder is carried in our tramp fleet. The only difference between the cost of carriage in a foreign tramp ship and in an American tramp ship is 25 cents a ton, which of course, is insignificant. If nations with whom we have been so generous are so grasping as to want to destroy the whole American merchant marine and our potential for defense for a piddling amount of money, then I say we are making no mistake by keeping that provision on the statute books. They should cooperate at least to that extent in order to save the American merchant marine.

A day or two ago I stated on the floor of the Senate that the foreign leaders

will privately admit that had it not been for the American merchant marine they could not have survived in World War II. Those very countries are now trying to destroy that which gave them life and blood. I say it is outrageous. It is a movement on behalf of foreigners to take all the export and import trade of the American people. The 1936 act expressly lays it down as being the wish of the Congress and the policy of the American Government that a reasonable portion of American freight be carried in American bottoms so that we can have a merchant fleet and trained mariners when we need them. Where would we have been in World War II or in the Korean war if we had not had them? In World War I we were at the mercy of foreign shipping companies, who charged us anything they could get. In some cases the rate increased 2,000 percent.

Mr. ANDERSON. I am sure that no member of the committee wishes to destroy our merchant marine. If it develops that the provision is unreasonable, I think we would all be willing to find some solution. I hope that we may have some time to find out what the solution should be.

Mr. ELLENDER. Mr. President, will the Senator from Maryland yield further?

Mr. BUTLER. I yield.

Mr. ELLENDER. As I pointed out to my good friend from Maryland, it was our understanding that the provision would apply to bona fide sales made in soft currency, without donations or loans or borrowings.

Mr. ANDERSON. That is correct.

Mr. BUTLER. But may I say to the Senator that statistics show that 65 percent of the transactions to which the Senator refers turned out to be another form of gift to the foreign buyer.

Mr. ELLENDER. That would be cured by—

Mr. BUTLER. It could be cured by having them say, "We are perfectly willing to have you carry 50 percent of your generosity in American ships."

Mr. ELLENDER. It could also be cured by stating that in any transaction wherein any of the purchase price paid by the purchasing country is donated to it or loaned to it, it would not apply.

Mr. BUTLER. I respectfully say to the Senator that in many cases it could not be ascertained prior to the contract of carriage. I apprehend that in many cases the bargain is made and the carriage is performed and then the proceeds find their way back into some form of gift. As I pointed out to the Senator in my brief remarks, how can we call a sale bona fide when the Government of the United States makes it under the going market, guarantees convertibility of currency, and does many things which no commercial seller would think of doing?

Mr. CARLSON. Mr. President, will the Senator from Maryland yield?

Mr. BUTLER. I yield.

Mr. CARLSON. I should like to associate myself with the remarks made by the Senator from New Mexico [Mr. ANDERSON]. A number of us are con-

cerned about this matter, and I sincerely hope the distinguished Senator from Maryland will give some thought to it before it comes to a vote on the floor. It is something which requires attention. I am sure there is sufficient evidence to indicate that there are foreign commodities which could be and would be moved. No one wants to destroy the American merchant marine; certainly, I do not; but I think we have a very difficult problem here.

Mr. BUTLER. I wish to tell the Senator that the disposal program is almost a full year ahead of schedule. So, there has been no holding back on the program on account of the preference law. The Senator will not find any opposition to the cargo preference provision outside Great Britain and the countries immediately around her, which are maritime nations and have made up their minds that they are going to get all, and not merely a part, of the business. They get approximately 84 percent of the American shipping business now. They have made up their minds that they will get it all. I say we should not give it to them.

Mr. CARLSON. I appreciate the fine work the Senator is doing on behalf of the American merchant marine, but the present law affects agriculture.

Mr. BUTLER. Wherein does it affect agriculture? We are a year ahead of schedule now. Had it not been for the tramp ships the freight rates today would no doubt be higher than they are, and we could not afford to give the stuff away because it would cost too much to carry it. If we destroy the American merchant marine, as I am convinced passage of section 307 would do, we are putting agriculture into a position where it will not be able to pay the freight rates.

Mr. CARLSON. Based on testimony before the committee, there have been some problems solved—

Mr. BUTLER. There have been, but they have all been solved in favor of the foreigner who is now getting 84 percent of the American shipping business.

Mr. President, to resume reading the quotation which I had been reading:

They had chosen to study the matter of cargo preference only from the standpoint of its impact upon American agricultural and international relations. The result was that the case they attempted to make out for changing the 50-50 law fell apart almost at the outset. The weakness of the opponents' case will be surprising to all who read the record.

Therefore, in view of the fact that the House report has just been published, and since it appears to me to be such an outstanding and objective study of the entire problem, I recommend it wholeheartedly to all who are interested in this vital matter.

Turning now, in closing, to the motion which will be made by the Senator from Washington [Mr. MAGNUSON] for the purpose of removing from the omnibus farm bill the anti-merchant-marine provision contained on page 29, lines 4 through 9, I earnestly request Senators to give this amendment their prompt and favorable consideration.



If any Senator has any question concerning the effect of the cargo preference bill upon Public Law 480, and will state it to me, should I be unable at the moment to respond with statistically accurate facts, I will undertake to obtain the desired information and supply it within a few hours at most. I offer to do this because, while this matter is not without certain complexities, I am convinced beyond a shadow of a doubt that the facts are there which will supply satisfactory and convincing answers to every question any Senator can raise.

#### REORGANIZATION OF THE PASSPORT OFFICE—REPORT OF A COMMITTEE (S. REPT. NO. 1604)

Mr. HUMPHREY. Mr. President, on behalf of the Committee on Government Operations, I submit to the Senate a report on the reorganization of the Passport Office of the Department of State.

This report provides a detailed analysis of the tremendous increase in the workload of the Passport Office during the past few years, and the vigorous action taken by its present Director, Miss Frances G. Knight, to reorganize and modernize the Office so that it can meet the increased demands made upon its limited staff and facilities and to provide passport service to the American people in conformity with present-day needs.

At my request last July, the chairman of the Committee on Government Operations directed the committee staff to cooperate with the Passport Office in a thorough study of passport operations, aimed at revamping operating procedures, equipment systems, and generally raising efficiency. The committee staff obtained the help of qualified Government experts in management, records, and paperwork control, and in other administrative and operating fields. Various Federal agencies assigned these experts to assist the Director of the Passport Office in developing an adequate reorganization program. I want to pay tribute to Miss Knight and her office for their complete cooperation in this successful experiment in improving efficiency in an overburdened branch of Government.

The committee report sets forth in detail the remarkable achievements that have resulted from this survey and the work of the reorganization team. Eight months ago the Passport Office was taking several weeks for final action on the issuance of a passport. Members of the Senate were getting numerous complaints about the long and frustrating delays in the processing of passports and renewals. Today the average time has been cut to 5 days. This is all the more remarkable, because travel abroad has increased tremendously in the past few years. The number of passports issued or renewed in 1955 alone totaled over 528,000—about 18 percent over 1954. In 1956, another 17.4 percent increase is expected. In the past 10 years the work of the Passport Office has increased more than 240 percent.

But there is still room for legislative attention before the recommended reor-

ganization procedures may be brought into full operation under impending peak loads.

For instance, it is pointed out in the report that a newly revised form of passport, which is designed to simplify and speed up action on passport applications, cannot be fully adopted until proper mechanized equipment and systems are obtained and installed. These include electric typewriters, specially designed pocket folders, cash registers, letter opening machines, sorters, cutters, and so forth, which are required to utilize fully the revised operating plan.

Mr. President, I am rather surprised that this has not been done long ago. I think it is partly due to the fact that we in Congress have not paid sufficient attention to this important office. Again, I wish to say that Miss Knight and her staff have certainly worked diligently and in a most cooperative spirit to reorganize the Passport Office on a much more efficient basis.

These new facilities cannot be procured until the necessary funds are made available. Due to the lack of this equipment, there is a possibility that the operating schedule cannot reach its full potential under the revised program. The staff estimates that an appropriation of approximately \$10,000 would enable the office to avoid serious backlog accumulations during the heavy travel season that is presently impending.

Mr. President, I repeat the figure. I said "approximately \$10,000." That figure is so seldom used by Congress, because it is a modest amount, that I thought there might be some misunderstanding. Only about \$10,000 is needed to do the work of reorganization in the Passport Office.

In connection with the preparation of the report, the staff prepared a brief memorandum covering these equipment needs which the chairman of the Committee on Government Operations forwarded to the chairman of the Committee on Appropriations on February 9, 1956, with a suggestion that a deficiency appropriation be provided for this purpose. The latter was received too late to be considered before the committee took action on the deficiency appropriations, and it now appears that several weeks will elapse before any funds can be provided by a supplemental appropriation. By that time the heavy annual travel season will be upon the office and it is feared that the full utilization of the reorganization program cannot be put into operation, which may result in another backlog of applications within the next few weeks.

It is my understanding that the staff of the Committee on Appropriations has been giving some consideration to this matter, and it is my fervent hope that they will recommend to the Department of State that the necessary funds required for the implementation of the essentials of this program be provided from some other funds, without delay. The staff of the Committee on Government Operations will also continue its efforts to obtain this comparatively small amount, either from the Department of State or through the President's Management Improvement Fund.

The staff of the committee has drafted legislation to implement the recommendations made in the report which I am submitting to the Senate.

I conclude by saying that the work of the Committee on Government Operations in this particular instance, as well as in many others, and also the splendid work of a very good staff—a diligent and competent professional staff—has saved the taxpayers of the United States literally thousands upon thousands of dollars in the passport office and in improving service.

Furthermore, the committee and the staff have saved the taxpayers millions of dollars in the review of audits and reorganization procedures which have been instituted as a result of the work of the committee throughout the years.

Mr. President, I send to the desk, on behalf of the committee, a report known as the reorganization of the passport office and ask that it be printed.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Minnesota.

Mr. SYMINGTON subsequently said: Mr. President, at this time I take pleasure in adding a few words of commendation to the present Director of the Passport Division, Miss Frances Knight, and her splendid staff, who have worked long hours to give the very best possible service to the traveling public.

It has been the experience in my office that very, very few requests are being made to expedite action on passport applications, which in itself is evidence that prolonged delays are not the order of the day.

Even though applications have increased steadily over the past year, as much as 20 percent, I understand the time required to process such applications has been reduced from several weeks to approximately 1 week.

Again our thanks to Miss Knight and her coworkers.

#### REORGANIZATION OF THE PASSPORT OFFICE—REPORT OF A COMMITTEE

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I report favorably, without amendment, the bill (S. 3340) to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the United States Passport Service, to establish a passport service fund to finance the operations of the United States Passport Service, and for other purposes, and I submit a report (No. 1605) thereon.

The bill would change the name of the Passport Office to the United States Passport Service, in line with the nomenclature recommendations of the Hoover Commission and to provide proper recognition to passport functions within the Department of State. Moreover, it would put the financial operations of the new Service on a more businesslike basis to enable the Service to meet expanding or contracting activities. Passport and renewal fees would be increased to bring them into line with increased Service



costs. The new Passport Service would be provided with its own accounting and internal audit system, under periodic audits by the General Accounting Office.

The committee recommendation for the establishment of a fund to enable the Passport Office to meet fluctuating service demands, has been evolved as the best procedure at this time, in view of the present emergency conditions. The Director, with the cooperation of representatives of the General Accounting Office, will be requested to make extended studies of the operations under the fund—if approved by the Congress—with a view to recommending any supplemental action that may be found to be desirable, after the program has been fully tested.

I ask unanimous consent that the bill may be printed in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3340) to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the United States Passport Service, to establish a Passport Service Fund to finance the operations of the United States Passport Service, and for other purposes, was placed on the calendar and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That all functions, powers, duties, and authority of the Passport Office of the Bureau of Security and Consular Affairs, Department of State, together with those funds, liabilities, commitments, authorizations, allocations, personnel, properties, and records of the Department of State which the Secretary of State shall determine to be primarily related to and necessary for, the exercise of such functions, powers, duties, and authority, are hereby transferred to the United States Passport Service, established pursuant to section 2 of this act.

SEC. 2. There is hereby established in the Department of State an agency to be known as the United States Passport Service (hereinafter referred to as the Service) which shall be headed by a director who shall be appointed by the Secretary of State in accordance with the civil service laws, and whose position shall be allocated to grade 18 of the general schedule as prescribed in the Classification Act of 1949, as amended.

SEC. 3. (a) There is hereby established a fund for the Passport Service (hereinafter referred to as the "fund"). The fund shall be capitalized on the basis of—

(1) an initial appropriation by the Congress to the fund of a sum which, together with the unexpended balances of any appropriations transferred to the service pursuant to the first section of this act, does not exceed \$1 million, which sum is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated;

(2) any unexpended balances of appropriations, the inventories, receivables, and other physical assets of the Service transferred to the Service pursuant to the first section of this act (exclusive of buildings occupied and land), such inventories and other physical assets to be capitalized at fair and reasonable values to be determined by the Secretary of State; and

(3) assumption by the fund of all obligations, commitments, and liabilities of the

Service as of the effective date of this act.

(b) The fund shall include all property and other physical assets acquired by the Service (except buildings and land), and there shall be deposited into the fund all amounts received for services performed by the Service, and all other amounts received by the Service from whatever source derived, including all proceeds arising from disposition of any property or other assets acquired by the fund.

(c) The fund shall be available without fiscal-year limitation for financing the direct costs and expenses of operating and maintaining the Service.

(d) All amounts received for passport fees in excess of \$9 for each original passport and of \$5 for each renewal of a passport shall be deposited at least annually into the general fund of the Treasury as miscellaneous receipts. Any surplus accruing to the fund in any fiscal year shall be deposited into the general fund of the Treasury as miscellaneous receipts during the ensuing fiscal year; except that any such surplus may be applied first to restore any impairment of the capital of the fund.

SEC. 4. In accordance with the provisions of existing law—

(a) The Secretary of State shall prepare and submit an annual business-type budget program for the Service.

(b) There shall be installed and maintained in the Service an integrated system of accounting, including proper features of internal control, which will (1) assure adequate control over all assets and liabilities of the fund, (2) afford full disclosure with respect to the financial conditions and operations of the fund according to the accrual method of accounting, and (3) supply on the basis of accounting results the data for the annual budget of the Service with respect to the last completed fiscal year. The system of accounting shall conform to principles and standards prescribed by the Comptroller General of the United States so as to accomplish the purposes of this section, and shall be subject to such review by the Comptroller General as may be necessary to assure its conformance with the principles and standards prescribed and its effectiveness in operation.

(c) The financial transactions, accounts, and reports of the fund shall be audited on a periodical basis by the General Accounting Office and a copy of each report or audit shall be furnished promptly to the President, the Congress, and the Secretary of State.

SEC. 5. Section 2 of the act entitled "An act to regulate the issue and validity of passports, and for other purposes," approved July 3, 1926, as amended (22 U. S. C. 217a), is amended by striking out "\$5" and inserting in lieu thereof "\$10", and by striking out "\$9" and inserting in lieu thereof "\$18".

#### FORCED LABOR

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Forced Labor," published in the New York Times of February 7, 1956, as well as a statement by the executive council of the American Federation of Labor and Congress of Industrial Organizations on the International Labor Organization.

I commend the editorial and the statement to the attention of my colleagues, because they stress the importance of United States cooperation in ILO, and support the principles of my resolution, Senate Joint Resolution 117.

There being no objection, the editorial and statement were ordered to be printed in the RECORD, as follows:

#### FORCED LABOR

A questionnaire has been circulated by the International Labor Organization at Geneva asking member governments whether they would support a convention against the use of forced labor, for political or economic purposes. Every European country except France and Poland has returned a favorable reply, and both these are expected to approve, thus leaving the United States—in the words of a cable we published from Geneva a few days ago—"the only major industrial country not on record in favor of a convention outlawing forced labor."

How ironic for the United States to be on the outside looking in, while the Soviet Union and the Communist bloc solemnly register their opposition to the forced labor of which they are the world's prime exponents. Whatever the Communist motives for endorsing this convention, what reason could there possibly be for the United States to disapprove, or even to drag its feet as it is now obviously doing?

It was American Federation of Labor urging in 1947 that started the long process of the United Nations and the ILO looking into the outrage of forced labor. In the spring of 1953 a special U. N.-ILO committee issued a notable report on the subject. This report formed the basis for subsequent debate and condemnation of forced labor by the Economic and Social Council and, in a resolution of which the United States was one of the sponsors, by the General Assembly itself—only the Soviet bloc voting in opposition. The ILO was asked to continue its efforts to combat forced labor, and the proposed convention is the logical result.

How can the State Department put this country in the position of opposing, or blocking, or hesitating on a convention against forced labor? Is it because some employers' groups in the United States do not like the ILO and think the United States should get out of this organization altogether? Or is it because the Department fears the proponents of the Bricker amendment, who look with gravest suspicion on practically any convention or treaty? We are sorry to say that apparently the reasoning, if one can call it that, is that the United States must now join nothing of international flavor that could possibly affect internal affairs. Such a policy may satisfy Brickerism, but it happens to put the United States in an absurd and untenable position.

#### STATEMENT BY EXECUTIVE COUNCIL, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS—INTERNATIONAL LABOR ORGANIZATION

The executive council of the AFL-CIO is greatly concerned over the campaign of falsehoods being waged against the International Labor Organization. We regard the ILO as a vital forum through which to promote the cause of freedom and democracy in the world. We take this opportunity to officially reiterate our full and unqualified support of the ILO and of United States membership and active participation therein.

We urge the Congress of the United States to enact Senate Joint Resolution 97, which provides for an increase in the existing ceiling of the United States' contribution to the ILO from \$1,750,000 to \$3 million. This will serve to bring the United States contribution to the ILO's budget, which is so essential to the success of the ILO's programs and activities, more nearly in line with contributions by the United States to the United Nations itself as well as to other specialized agencies of the United Nations.

In addition, the executive council urges the Congress of the United States to enact Senate Joint Resolution 117, which calls upon the United States Government, in cooperation with other nations, to assume leadership in the campaign to abolish the use of forced labor and to support the adoption of



a convention on forced labor at the 1956 conference of the ILO.

The AFL-CIO believes that the failure of the United States Government to support the ILO both morally and financially would weaken the forces of freedom and democracy within that organization and throughout the world. Active and energetic leadership and encouragement would, on the other hand, demonstrate to the aspiring peoples of the world that America represents mankind's best hope on earth.

Contrary to the reported position of the United States Government, we do not believe that representatives of America at the ILO should refuse to endorse proposed conventions of the ILO which vigorously condemn such inhuman practices as forced labor. To do so will place the freedom-loving people of America in an embarrassing and untrue position of being the only member nation ILO which refuses to condemn such slavery out of hand through the strongest weapon available to the ILO—the convention against forced labor. In conclusion, we call upon not only the members of the unified trade-union movement of the AFL-CIO, but upon all other citizens of these United States to demand the continuance of America's membership in the ILO and the retention of its proud position in that organization as a fearless champion of human rights for the wage earners of the world.

#### ONE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, today, March 1, 1956, marks the 100th anniversary of one of the loveliest and most progressive of all our American cities, Minneapolis, Minn. I am doubly proud of that fair city, for I had the honor to be the mayor of the city of Minneapolis for two terms. This is a great day for Minnesota and a great day for its largest city.

Beginning today and through the 1956 aquatennial festival Minneapolis will be celebrating its centennial observance. On behalf of Mayor Eric G. Hoyer, City Council President Eugene Stokowski, and every Minneapolitan, I invite everyone to visit Minneapolis this year and to help celebrate our centennial.

I invite especially every Member of Congress, particularly my colleagues in the Senate, with particular reference to the present Presiding Officer, the distinguished junior Senator from Nevada [Mr. BIBLE], to visit the city of Minneapolis this year and to help us celebrate our centennial.

Last month, Mr. President, the Minneapolis Chamber of Commerce published a handsome centennial issue. A very fine article in that issue is entitled "A Century of Progress." It reviews the early history of Minneapolis.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD certain excerpts from this article in Greater Minneapolis, published by the Minneapolis Chamber of Commerce.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### MINNEAPOLIS CENTENNIAL—A CENTURY OF PROGRESS

Anyone contemplating the clean-cut skyline of Minneapolis, its gleaming buildings, its modern facades, finds it difficult to imag-

ine the fledgling village of a hundred years ago. In that candle-lit era, only a few spare frame dwellings dotted the pasture that is now our loop.

A century is a long time in human reckoning; yet it is only a tick of the clock of eternity. But in this brief span of time—as eternities go—tremendous changes have been wrought. Rutted pathways have become broad avenues; the lean-to has given way to the skyscrapers; and creaking carts have been replaced by swift, whispering automobiles and airplanes.

Long before there was a Minneapolis, this site was the gathering place for the Sioux. They came to worship the Great Spirit by the plunging waters of St. Anthony as they had for centuries. Their teepees were staked on the present site of Bridge Square and around the lakes.

The first white man to break into this setting was Father Louis Hennepin, who discovered the Falls of St. Anthony in 1680. Hennepin, a Franciscan friar from Belgium, accompanied LaSalle on his first trip up the Mississippi and saw the falls which he named for his patron saint, St. Anthony of Padua.

Almost a century elapsed before another white man appeared on the scene. Captain Jonathan Carver, a young Connecticut Yankee, was the first English-speaking man to visit St. Anthony Falls. The date was November 1776. Carver was exploring the regions ceded to England by France after the French and Indian War.

Following the Louisiana Purchase, President Thomas Jefferson in 1805 sent a company commanded by Lt. Zebulon Pike to explore the headwaters of the Mississippi and find a suitable site for a military encampment. When Pike arrived at the confluence of the Mississippi and what is now the Minnesota Rivers, he sought to befriend the Indians and made a hasty treaty with them for lands, one tract extending up the Mississippi from the mouth of the Minnesota and including the Falls of St. Anthony.

Fourteen years later, a company of soldiers under Col. Henry Leavenworth set up a military camp on the present site of Mendota. The next spring, the camp called Fort St. Anthony was moved across the river. In 1824, its name was changed to Fort Snelling in honor of Col. Josiah Snelling who completed the project.

In 1822 the soldiers built a sawmill just below the Falls of St. Anthony on the west side of the river. Here they turned out lumber for their barracks. A year later they installed a flour mill at the site.

In the spring of 1934, two brothers, Samuel W. and Gideon H. Pond, young laymen from Connecticut, obtained permission at the fort to start mission work among the Indians at Lake Calhoun. Their log cabin on the east bank of the lake was the first dwelling on the present site of Minneapolis. About a year later, Rev. J. D. Stevens built a mission house on the northwest shore of Lake Harriet.

The Indian treaties of 1837 ceded to the United States the delta of land bounded by the St. Croix and the Mississippi Rivers. The first settler to stake a claim at St. Anthony was Franklin Steele, the sutler at Fort Snelling. The Godfrey house, built in 1848, was the first frame dwelling at the falls.

About this time, gold was discovered in California. Along with the great flood of immigrants moving westward came a purposeful group who sought homes for their families—not sudden wealth for themselves. They came into the fertile prairies of Illinois and Iowa from New York and New England. From 1848 to 1860 they streamed up the Mississippi and its tributaries, settling in Minnesota and adjoining States and Territories.

In 1850 the village of St. Anthony was credited with only 538 inhabitants. Only 4 years later the town boasted 3,000 citizens. So rapidly had the little community grown that

its leaders asked the legislature to give them a city charter "in order to manage our local affairs better." This charter was given on March 1, 1856.

Henry T. Wells, who had come from Connecticut in 1853, was the first mayor of St. Anthony.

The west side settlement started later, since its land belonged to the Fort Snelling reservation which was not reduced in size until 1852, while pre-emption rights were not granted until 1855. Government permission had been granted John H. Stevens in 1849 to take up a claim on the reservation in return for free ferry service for the military across the river. Stevens built a home on the river bank across from the present Great Northern depot.

In 1852 Stevens drew up a bill for a new county to be called Snelling. But Martin McLeod, mindful of the Franciscan friar who had discovered the area, changed the name to Hennepin when he introduced the bill in the Territorial legislature.

County seat for the new county was the west side settlement, then called Albion, a name which seemed to please no one. A happy inspiration revealed the new name, Minneapolis, to Charles Hoag, pioneer farmer and schoolteacher. In a letter to the St. Anthony Express, he wrote:

"The name I propose, Minneapolis, is derived from Minnehaha, falling water, with the Greek affix 'polis,' a city, thus meaning Falling Water City or City of the Falls. \* \* \* Until some other name is decided upon, we intend to call ourselves Minneapolis."

The name met with instant approval, but the intermediate "h" was dropped in its final adoption when the city was incorporated in 1866. It was not until 1872 that St. Anthony and Minneapolis were consolidated and the real city of Minneapolis took shape.

Minneapolis today is a far cry from the little river community from which it grew. With a metropolitan population of more than a million, it is one of the truly great cities of the world.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. HUMPHREY. Mr. President, in line with the discussion of yesterday, I wish to proceed with my remarks on the agricultural bill. I regret having had to make the digressions I have made, but I have responsibilities in connection with Senate committees, responsibilities which I thoroughly enjoy, and which it is my duty to fulfill.

Mr. KERR. Mr. President, will the Senator yield for a unanimous consent request?

Mr. HUMPHREY. I yield, if I can do so without losing my right to the floor.

Mr. KERR. I had intended to suggest the absence of a quorum, if the Senator will yield for that purpose.

Mr. HUMPHREY. I yield for that purpose.

Mr. KERR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, in starting my discussion today on the



farm bill, I should like to read a letter which came to my office as of yesterday. I answered the letter last evening, and I wish to share its contents, because I think the letter reveals some of the pathetic conditions which exist in some parts of American agriculture, and some of the heartbreaking episodes of agricultural living under depressed prices.

The letter is dated February 25, 1956, and is from Orleans, Minn., which is a small rural community. As you can see, Mr. President, this is not a letter which was prepared under the direction of somebody; it is written on good home stationery. The letter reads:

DEAR SENATOR HUMPHREY: I know you are very busy man, but I am sure you will read my letter. I often wanted to write you, but will think to myself will you read my letter? Will it help? But of lately hearing Mr. Benson's, Secretary of Agriculture, speeches, they make me sick at heart. Because, Mr. HUMPHREY, we have been hit with more than just these falling farm prices. I want to tell you at least some of what's on my mind and very much in my heart. We have two sons. They both loved farming so much that while we didn't have much, we sacrificed, only Lord knows how much, so we could send them to better high school in Crookston, Minn., Northwest School and Experiment Station so they would make good farmers. Both boys graduated from the school.

I digress to say that the Northwest School and Experiment Station is one of our finest agricultural schools. I continue to read from the letter:

We sacrificed more, bought more land and raised more livestock so boys will have a better start. Now to make long letter as short as possible, both boys are away from farm. One is working in South Milwaukee, Wis., Ladish Manufacturing Co., welding. The younger one had good start on the farm here, borrowed money and worked 16 hours a day, plowed, seeded grain, and milked his cows, rented his older brother's cows, and when fall came he looked his farm record books over. His wife did an excellent job in keeping farm records.

He found out he got 11 cents an hour for his work, and his wife's work, too, both in the field and in milking the cows, but that then he would have to sell some of his cattle if he wanted to keep on making payments on his loan. So he sold everything—cattle and grain—and was \$900 short to pay off the loan he borrowed, to buy machinery only. Now he is working in Los Angeles, Calif., for \$2.10 an hour, also for the Ladish Manufacturing Co.

Here are my husband and I with 900 acres of land, paying taxes, and no one to work it. That is what Mr. Eisenhower and his administration are doing. We would be happy to see our sons and their family near and farming.

Now about Mr. Benson. I heard him say, "If anyone thinks farmers are heading for a depression, he does not know what he is talking about." Well, there is little truth in that, because we are not heading, but we are in a depression right now. Mr. Benson is sure a scatterbrain if there ever was one. Anybody can tell that from listening to his speeches. One day it's understanding, and the next day it's condemning the farmers. We heard, I believe, two of his speeches in one week, and it was just like day and night. In Davenport, Iowa, he finished with, "Thank you," and in other speeches he says, on support prices, "I don't believe in them, and I will not do it." How such a man holds such an important position, only the Lord knows.

Now I want to tell you a bit about ourselves, how we are doing here on the farm the last 2 years.

Mr. KERR. Mr. President, at this point will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KERR. I was quite interested in the statements by that good woman about her sons who had been raised on the farm and tried to farm, but could not make a living there. Did the Senator from Minnesota by any chance see the story, a little while ago, about a young man in Mississippi who had produced more corn on an acre of land than, so far as is known, anyone else had ever produced in all history?

Mr. HUMPHREY. Yes; I did see that.

Mr. KERR. I believe he produced more than 300 bushels an acre.

Mr. HUMPHREY. I believe that was about the amount.

Mr. KERR. He was brought to Washington, and was honored, and received quite a nice little prize. Then he was interviewed as to his future farm hopes and prospects. Does the Senator from Minnesota remember the remark he made?

Mr. HUMPHREY. I do not. I should like to have my memory on that subject refreshed.

Mr. KERR. That young man said, "I am not going to stay on the farm. I cannot."

Those who interviewed him asked, "Why?"

He replied, "I cannot make a living at it."

Mr. HUMPHREY. That is the pathetic story all too often, in the case of our young farmers.

Mr. KERR. That young man had produced more bushels of corn on an acre of land than anyone else had ever been known to produce before. Yet, despite that efficiency in operation, he is going to have to leave the farm, in order to make a living.

Mr. President, will the Senator from Minnesota yield for a further question?

Mr. HUMPHREY. I yield.

Mr. KERR. Yesterday, we received the news that the President announced he would be available for drafting for another term.

Mr. HUMPHREY. Yes; I think I read that some place. [Laughter.]

Mr. KERR. The Senator from Minnesota is aware, is he not, of the fact that during the past month, and, in fact, during the past year and more, we had a good deal of information and indication that the President hoped he would not have to serve another term, because he wanted to retire to his farm at Gettysburg?

Mr. HUMPHREY. Yes; I have heard that many times.

Mr. KERR. Does the Senator from Minnesota suppose that the President's decision not to retire to his farm at Gettysburg was made because of a realization by him that it would be impossible for him to make a living there? [Laughter.]

Mr. HUMPHREY. Yes; and yesterday I said, in addressing the Senate, that I felt that might have been one of the compelling reasons for the President's announcement. I made that statement on the floor of the Senate.

The President is a man of judgment. I said that if he considered the prices of agricultural commodities and the agricultural situation, I felt he would have some hesitancy in taking up farming as an avocation, and surely not as a vocation.

Mr. KERR. If a young man who has produced more bushels of corn on an acre of land than anyone else has ever before been able to produce, cannot make a living on the farm; and if a man who probably has a greater income from non-farm sources than anyone else has had in recent times, believes that he cannot make a living on the farm, does that indicate that it would be impossible for anyone at all to make a living on a farm?

Mr. HUMPHREY. Yes; I think that is so.

The other day, I received a letter from a woman who, in writing to me, said she had been a lifelong Republican, but now she said her 3-point program was as follows: First, vote Democratic; second, return farm prosperity; and, third, fire Benson. [Laughter.]

She stated those 3 points very concisely in a 1-page letter.

Even with the best program the Congress could possibly write into law, the program must be administered; and it appears that so long as Mr. Eisenhower is on the job, Mr. Benson will administer the program.

Mr. KERR. Does the Senator from Minnesota mean as long as Mr. Eisenhower is in the White House?

Mr. HUMPHREY. Yes.

Mr. KERR. Of course, there is no connection between that and being on the job, is there? [Laughter.]

Mr. HUMPHREY. No. Of course, we wish to proceed with a charitable spirit.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I shall yield in a moment.

First, I wish to say that it occurs to me that the one sure remedy for the farm situation is to change it by means of the forthcoming election. I do not know of a single Democratic candidate for the Presidency—and there are many of them—who would not, immediately upon taking that great office, discharge Mr. Benson. I think the farmers should know that. That is a positive assurance.

Mr. KERR. Then does the Senator from Minnesota think that if we hope to obtain a farm program, it will be absolutely necessary for the people to retire the present occupant of the White House, and put him in a posture where he can be on the job again on the farm?

Mr. HUMPHREY. In order to be on the safe side, I should say that would be the proper decision.

Mr. KERR. I would say the Senator from Minnesota is eminently correct.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I wish to say that I am delighted to see that the Democrats are getting a little enjoyment, because on yesterday those of us on this side of the aisle had ours. [Laughter.]

Mr. HUMPHREY. Yes. We believe that our day will return in November,



and then we shall see who does the smiling.

Mr. KERR. Let me ask the Senator from Minnesota whether it is possible that the Republicans will look more and more to yesterday as being their only day for smiling. [Laughter.]

Mr. HUMPHREY. Hindsight is an outstanding Republican attribute.

Mr. MAGNUSON rose.

Mr. HUMPHREY. Does the Senator from Washington wish me to yield to him?

Mr. MAGNUSON. I wanted to talk a little about fish.

Mr. CAPEHART. Mr. President, I suggest that that will be an exceptionally good subject, following the remarks we have just heard. [Laughter.]

Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. I was very much interested in the interchange in regard to how farmers are being pushed off the farms.

The case referred to by the Senator from Oklahoma was one in which apparently there had been efficient farming and good production. Yet that farmer testified he was not able to make a living on the farm.

The Senator from Minnesota knows that throughout the country, a great proportion of the farming people are located on small family-sized farms. What is happening to them all across the land?

Mr. HUMPHREY. They are being lifted off the land, so to speak, pushed off the land, by the thousands. The drop in farm population in the past few years has been approximately 9 percent, since 1952.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. The other day the distinguished Senator from Oregon [Mr. MORSE] stated that 400,000 farmers had been pushed off the farms.

Mr. HUMPHREY. That is a conservative figure; and the tendency is growing.

Mr. SPARKMAN. Is it not, as a matter of fact, being ruthlessly done as a part of the Benson policy in this administration?

Mr. HUMPHREY. I do not wish to impute any bad motives to them.

Mr. SPARKMAN. We can use their own words.

Mr. HUMPHREY. I was about to say that when the Under Secretary of Agriculture says that farming is big business, and a number of similar statements are made by others in the administration; when he says that those who are less efficient will have to get off the land, thinking in terms of dollars and not in terms of a way of life, thinking in terms of an IBM machine, a mechanical instrument, rather than human lives, land, and livestock—when we have that kind of thinking, we are bound to have trouble. That is what has happened.

No one in high places today is championing the cause of the farmer in America, unless those of us in this body who try to champion the cause of the farmer

may be said to be a part of the Government of the United States at the legislative level.

Mr. SPARKMAN. The Senator has given a great deal of study and thought to the pending farm bill. I think there are some good features in the bill.

Mr. HUMPHREY. Yes; there are.

Mr. SPARKMAN. But is there anything in the bill for the small family-sized farm?

Mr. HUMPHREY. That is one of the weaknesses of the bill. However, I will say that the committee tried very hard to write into the bill language which would prevent the soil bank provision from being used to drive people off the land. It was very difficult to find the precise language which would guarantee that kind of protection.

The one provision in the farm bill which would do more for the small farmer than anything else is the 90 percent of parity provision, and the increase in levels of parity which we hope to establish. We shall have to do some amending to improve the situation.

In the area of livestock, there is nothing in the bill which will do anything for cattle and hogs. Perhaps something can be done in that respect indirectly, if we can tie into the bill a feed grain amendment and a livestock amendment to cover cattle and hogs. I have been trying to think in terms of premium payments for certain light-weight cattle and light-weight hogs. With that kind of program, and with a sensible program of purchases when there is an oversupply, we shall have something which will be of help to millions of small farmers.

Mr. SPARKMAN. Would not the Senator say that we need more than that? Do we not need some kind of credit structure which will permit the farmer to diversify, and to change from one crop to another as the law of supply and demand operates?

Mr. HUMPHREY. The Senator is correct. I shall send to my office for another letter which I have received from a farm family in Minnesota. The writer of that letter points out that this year 1 hog bought 1 pair of overshoes.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. One hog bought one pair of overshoes?

Mr. HUMPHREY. Yes.

Mr. CAPEHART. Please—

Mr. HUMPHREY. It was a small hog.

Mr. CAPEHART. It must have been a very little pig.

Mr. SPARKMAN. Mr. President—

Mr. CAPEHART. Please—

Mr. SPARKMAN. Let us wait until the Senator from Minnesota gets the letter for which he has sent.

Mr. HUMPHREY. We shall have all the information for the Senator from Indiana.

The writer of the letter to which I refer pointed out that this time the farmers are running out of money. She says, in effect, "Benson says, 'Let us have more credit.' Is he suggesting that I charge the overshoes?"

We shall need more than a credit program, even though a credit program is sorely needed.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Would the Senator include also an idea in behalf of which he has previously spoken, and which was included in a bill which I introduced last year, as the Senator may remember, namely, the idea of doing something toward expanding technical assistance to small farmers across the country?

Mr. HUMPHREY. Indeed.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to reply to the Senator from Alabama.

I will say to the Senator from Alabama that the bill which he introduced a year ago includes many of the features which are needed to help develop what are known as marginal farms, and small farm units.

Mr. SPARKMAN. Does not the Senator believe that we ought to help the marginal farmer, rather than take the attitude that because he is operating a marginal farm he ought to be pushed off the land?

Mr. HUMPHREY. Of course.

Mr. SPARKMAN. I should like to pursue this thought a little further. I do not wish unduly to delay the Senator from Indiana, who wishes to ask a question.

The Senator from Minnesota said something about the soil bank. Let me say that in my opinion the idea of the soil bank is a very good one. I think we shall have pretty rough going getting it started, but I believe that, over a period of time, it will prove to be an excellent idea.

Again discussing the small farmer, the question that disturbs me is this: How is he going to spare any of his acreage to go into the soil bank? Let me give an example—

Mr. HUMPHREY. That is a singular weakness, particularly in the acreage-reserve section of the soil bank. The acreage reserve section of the soil bank is the special new "gimmick."

Mr. SPARKMAN. It comes out of the allotment.

Mr. HUMPHREY. That is the new part of the farm-soil bank program. I think that particular provision would have very little, if any, beneficial effect on the small farmer.

Mr. SPARKMAN. Let me cite one county in my State. I refer to De Kalb County, Ala. I happen to remember certain figures with respect to that county. It is one of the best farming counties in my State. Practically every farm is owned and operated by those who live on it.

Cotton is the principal cash crop in that area. There were cotton allotments for 5,355 farms. The total acreage for that county was 31,000 and a few hundred, or just a little less than an average of 6 acres to the farm. Only 500 of those farms had an acreage in excess of 5 acres. Ninety-five percent of the farm had an acreage of less than 5 acres. They averaged about a bale of



cotton to the acre. How is such a small farmer going to be able to give up any of his acreage? He has a most difficult time obtaining financing now, because his acreage is cut down to such a low figure. How is he going to get enough out of the bill to benefit him, except under the 90 percent price-support program?

Mr. HUMPHREY. That is the only chance he has to be benefited by the pending bill. If certain provisions which the committee placed in this measure were not there, he would get no benefits whatsoever.

The so-called administration farm bill, which never got any further than the newspapers, did not have a thing in it for the small farmer. No one can point to anything in that proposal which would benefit the small farmer.

A bill was introduced, known as the administration farm bill, but after a few of us looked into it and pointed out to our colleagues what was in it, the proponents said, "Bury it. Forget that it happened. This is a sad chapter in our lives. Drop it." Everyone withdrew from it as though it were the plague. It was a type of plague.

Mr. SPARKMAN. I suggest that we heard no wailing or gnashing of teeth by the brethren across the aisle when that bill was forgotten.

Mr. HUMPHREY. Not at all.

Mr. SPARKMAN. Let me make one suggestion in conclusion. I appreciate the generosity of the Senator from Minnesota in yielding. I hope that the Committee on Agriculture and Forestry of the Senate, of which the Senator from Minnesota is an able and distinguished member, will not accept this bill as being the final program for helping the farmers, but that they will accept it as something that is being done to give quick help. I hope they will continue to work to get at the root of the farmers' troubles, many of which have been mentioned today in the discussion by the able Senator from Minnesota.

Mr. HUMPHREY. It is my conviction that we must proceed in the areas of farm credit and programs to help the small farmer. The Senator from Alabama has introduced a bill, which he has discussed from time to time on the floor of the Senate, to help the small farmer. Some work needs to be done in those areas.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. The able Senator from Alabama [Mr. SPARKMAN] spoke about having introduced a bill to give small farmers more technical aid. That fact shows the complexity of the whole farm situation. The Senator from Oklahoma [Mr. KERR] a moment ago told us about a young man who had to retire from farming because he raised 350 bushels of corn to the acre. Apparently he raised too much because he was too efficient. The able Senator from Alabama introduced a bill which would show the farmer how to raise more. How do the Senators reconcile those two statements?

Mr. KERR. Will the Senator from Minnesota permit me to answer that question?

Mr. HUMPHREY. I am glad to do so.

Mr. KERR. The Senator from Oklahoma did not say the young man had to give up farming because he was too efficient and had produced too much corn. The Senator from Oklahoma was expressing his deep and sad regret that, in spite of the fact that the young man had become so efficient as to produce more on an acre than had ever before been known to be produced on an acre, he still was not able to make a living from farming.

Mr. CAPEHART. Is the Senator trying to tell the Senate that a man who can grow 350 bushels of corn to the acre, even at a dollar a bushel or 75 cents a bushel, is losing money? I am a corn farmer, and I happen to know that it takes only \$50 or \$60 to grow corn.

Mr. KERR. I was merely quoting the statement of the young man who had produced the corn.

Mr. CAPEHART. The Senator was quoting it to suggest that there was something bad about it.

Mr. KERR. No; something significant.

Mr. CAPEHART. The significance is that anyone who can raise 350 bushels of corn to the acre, and knows one iota about farming, can make money even if he has to sell it for 50 cents a bushel. That would be \$175 an acre. I happen to know that it does not cost more than \$50 or \$60 an acre to grow corn.

Mr. KERR. I want to say to my good friend from Indiana that he is about as good a man as anyone I know who can afford to farm.

Mr. CAPEHART. That may be true. I am rather glad of the fact, and I am not apologizing for it.

Mr. HUMPHREY. I continue to read from the letter I received from Mrs. Wollenberg:

I want you to know we don't spend a cent on drinking of beer or anything of the sort. Neither one of us smoke. We have been to 3 movies in last 2 years. We work at least 16 to 17 hours a day. We milk 16 or more cows every summer. We truly are careful in spending, and we went in debt \$1,900 in last 2 years just because we had to have a better pickup truck; have no car; and we put on a new roof on half of our house. I would like Mr. Benson to tell us why we didn't make enough to pay for every thing we just had to have, besides we need new drill or better one badly. Can't afford it. Where is that prosperity for farmers? I am telling you about ourselves, but it's speaking for thousands of people like us people with families are worse off people right around and every where need to repair homes and new machinery; they can't afford them. I would like Mr. Benson to tell us if they don't improve farm policy where would this lead to in another 2 years or so. We bought a hayfork the other day, \$3.79; sold 24 dozen of eggs for \$7.26. By the way, laying mash is \$4.25 a 100 pounds. That's about enough for 2 weeks, and you have to feed them oats, too; this is for 60 hens.

We understand Mr. Benson with Mr. Eisenhower think small farmers are just a nuisance. Very interesting, and what plans have they got for small family farmers? To slave for co-op farmers or they are not telling, and will have concentration camps to

have us work in. This is not nice remark, Mr. HUMPHREY; I apologize to you; but I am hurt and plenty and, believe me, if it wasn't for you and few like you in the Senate, we are sunk and how. Farmers don't want things given to them or handouts. All we ask is to sell our produce and livestock at fair prices. Last fall we sold our big cows at \$80 and yearlings at \$65 and less; how many do we have to raise of yearlings to meet our expenses? Does Mr. Benson know how much work it is to bring 16 head of yearlings in this cold Northern State? This year we will be feeding stock in the barn for 6 months. We are still keeping 9 head of cattle for our older son and 4 for the younger one, hoping things would get better and they would come back to the farm. My husband and I winter 49 head of cattle. Does Mr. Benson and Mr. Eisenhower know how much feed it takes and how much work there is to take care of that many cattle? We wouldn't need to keep that many could we sell them for better price. That's the answer why we overproduce. So Mr. Benson and Mr. Eisenhower can see what they did with their idea. Soil bank is help to grain farmer, but again to the bigger farmers.

Mr. Eisenhower is crowing about the \$60 million a year farmers will get in refund tax on gasoline we use in tractors, how much it will be to a farmer that uses only about \$400 worth of gas or fuel. This letter is getting long, but I could write hours. I will just have to say this much. Mr. Eisenhower has questions and answers. Here he has a question. How will soil bank help livestock producers? It's absurd, because it will not work like the rest of these ideas didn't work. He states that participants in soil-bank plan will sign an agreement not to graze their diverted acres. That is Mr. Eisenhower's wishful thinking, but that will never work, since this administration didn't come up with better plans, but got us farmers back in debt. Let them let you, Mr. HUMPHREY, and your supporters get our price support back, and God help you.

My scribbling is bad, but I don't have much time to write. You will notice on Ray's sale bill says due to my health. It's another story to that. He got his ulcer in service in Marines because he had bad knee, but again no one believes until he almost went crippled and developed ulcers, then they let him go with only \$31 compensation. But what he would have liked to put on the sale notice, he told just about everyone, "Due to Benson's farm prices." Even the auctioneer referred to that statement.

Sincerely yours,

Mrs. JOHN WOLLENBERG.

Mr. President, this lady may not be a graduate of Vassar College or of Smith College, but she knows something about farming, and she is heartbroken regarding the situation which exists in many of the great farming areas throughout the United States.

I have read this letter, Mr. President, because there is a kind of smugness in many areas with regard to the farm problem. I have heard how rich the farmers are and how they complain. If any other group in the American economy got as raw a deal as the American farmer is getting, they would be marching on Washington. If farmers were organized as business and labor are we would have to pay a much larger amount for our food. We ought to thank God that the farmers are as kindhearted as they are. The farmer of America is only asking from his Government that he be given an opportunity, through orderly marketing and through loans at a low



rate of interest, to obtain a fair price for his products.

This administration points with pride to the huge net profits of the General Motors Corp. and all the other big corporations, it points with pride to the fact that there is prosperity in the land; but it is unwilling to offer a price-support program for the farmer that will result in his receiving real income.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. When we look at the statistics of a few short years ago we find that the net income of the farmer was \$17,200,000,000. When we look at the figures for the last quarter of the year 1955, we find that the net income of the farmer for that year was only \$10,200,000,000. Could any other business stand that kind of a drop in income?

Mr. HUMPHREY. Absolutely not. It would be impossible for any other business to stand anywhere near that kind of a drop in income.

Mr. KERR. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Can the farming industry stand it?

Mr. HUMPHREY. It cannot stand it, and it is not standing it. Farm indebtedness in this country is going up by leaps and bounds. My colleagues may be interested in knowing that at the end of 1952 farm mortgage indebtedness stood at \$5½ billion. Today, it is in excess of \$9 billion. An article published in the Minneapolis Morning Tribune points out that the Federal Reserve District Bank in Minneapolis reports a 17-percent increase this year over last year in short-term loans. Those are loans which are made to farmers to enable them to put in crops.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. Not only do they have to pay back the loan, but they have to amortize it over the year, and they have to pay interest on the mortgages. Still, that is only a part of the picture. We also find that the farmers are paying higher prices for everything they buy, such as fertilizer, and all the other things they use on the farm including tractors and other farm machinery, which all cost more than ever before.

Mr. HUMPHREY. There is no doubt about that.

Mr. JOHNSTON of South Carolina. With all those conditions facing the farmer, the administration at the present time is saying, "We will pull the supports out from under you from 90 percent of parity to a sliding scale, probably down to 75 percent on the basics." Anything that is on a sliding scale always flows down.

Mr. HUMPHREY. That is correct. The administration first talked about the "sliding price-support scale." Then it began to call it "flexible." Then it called 90 percent "high and rigid." That is

the Madison Avenue technique of working over words. Someone told them, "Do not call it 'sliding'; that indicates something slippery, and the only way you can slide is down; you never can slide up." So they began to call it flexible.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I am one Member of the Senate who does not feel that the support prices or parity are the underlying causes of our troubles. I think overproduction is the big cause. But the question I would like to ask the Senator is this:

What intelligence has come to the Democrats today that they did not have in 1938 when they controlled Congress and the Presidency, and set the supports at from 52 to 75 percent, then passed a bill during the war to increase them to 90 percent to get more production, and wrote into the bill that, automatically, 2 years after the war ended—and the Korean war came along—the supports would go back to from 52 to 75 percent? What has happened to change the position from 52 to 75 percent, a sliding scale, to a flat rate?

Mr. HUMPHREY. I am happy the Senator has brought that up. The Senator was on a radio program with me one Sunday and brought it up at that time, and I hoped he would do it again.

In 1938 we were trying to build a farm program. The whole price level was much different. The country had gone through a period of inflation and it had a period of deflation. We were beginning to build a farm program, and 50 to 75 percent of parity was much better than anyone had ever had before, but it was related somewhat to the overall prices in industry and labor, as well as to the prices of homes and buildings in other areas.

We have one faculty which some of our Republican friends do not have: We learn.

We found out that the program was not good enough. We found out that it did not do very much. We found out that prices were still too low, that farmers were still down at the lower level of the economic ladder. So we moved ahead in the war years to 90 percent of parity. Why? To increase production? No. It was so that if the farmer did increase his production, did overproduce as a patriotic duty during the war, he would not be taken to the cleaners after the war. We did it because of what happened after World War I when we had \$2 wheat. After the war we had \$1 wheat and 75-cent wheat.

The Senator from Indiana was not present when I discussed this matter. Neither the Senator from Indiana nor any other living man can prove that 90 percent of parity is a production stimulant or that it is too high or that it is responsible for our surpluses. In fact, to the contrary, I can show on the floor of the Senate by statistical facts that lower price supports bring higher production.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. Yes, I yield. Does the Senator maintain to the contrary?

Mr. CAPEHART. No. I am not maintaining that at all. I am trying to find out what information the Democrats have today that they did not have when the original law was passed. The CONGRESSIONAL RECORD is filled with the fact that the supports were made 90 percent during the war for one purpose only, and that was to increase production. Then they wrote into the law a provision that 2 years after the war ended, the supports would automatically go back from 90 percent to from 52 to 75 percent. I am trying to find out the facts.

Mr. HUMPHREY. I shall be glad to help the Senator.

Mr. CAPEHART. I care not whether it is 52 percent or 90 percent. That is not the point. I think the farmer is entitled to 100 percent of parity in the market place.

In the meantime, I am willing to go ahead with a support plan, and I always have been. But what has happened in this election year to convince the Democrats that from 52 to 75 percent used to be good enough, but that today it must be 90 percent?

Mr. HUMPHREY. It is the same intelligence and facts which convinced us, when we began a social security program providing \$25 a week, that we should proceed to make the benefits \$30 or \$35; the same intelligence which taught us that although we had a 4-cylinder automobile in 1930, we might well have an 8-cylinder automobile in 1956; the same intelligence which makes us believe in progress; the same intelligence which teaches us that we ought to have the good sense to know what is going on; the intelligence which tells us that although there was once a 20-cent an hour minimum wage, it should be brought up to 50 cents, 75 cents, and now to \$1.

I know this kind of thinking runs contrary to Republican theory; I know it runs against Republican views.

It is somewhat shocking to me to hear someone go back to a 1938 law and say, "That was all you could think of in 1938. How come you have changed your mind?"

We have even amended the Constitution. We have changed our minds about some parts of the Constitution. We have changed our minds about the rates of postage. We have changed our minds about the speed of automobile operation on the highways. We have changed our minds about the designs of radios, televisions, automobiles, and houses.

Are we supposed to say that 1938 was the year of decision, the time of divine inspiration? How does it happen that new ideas have been developed since 1938? It is an old Democratic habit. I know this will be shocking to some of my friends, but it is the old habit of learning as we go along.

The Senator from Indiana wants to know what new intelligence we have. It comes from experience, practical adaptation, learning what is going on.

Our goal ought not to be 90 percent of parity; it ought to be 100 percent of parity.



Housing loans were once made on a 90-percent mortgage guaranty basis. But we learned from experience. The Senator from Indiana learned by experience. We went from a 90- to a 95-percent guaranty on housing loans. That was price support for builders, price support for bankers. Guaranteed mortgage loans were all right as price supports for the housing industry. But price supports are not all right for agriculture, I hear. They are bad for agriculture, I have heard. Some persons have said they were bad for agriculture, but it was not the junior Senator from Minnesota who said it.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Would it be in error to say that what one was thinking back in 1896 would not enable him to realize what would happen in 1938?

Mr. HUMPHREY. No, indeed; 1938 would have seemed quite advanced to an 1896 thinker.

Mr. KERR. The Senator from Indiana seemed to be quite shocked a while ago because someone had sold a hog and had received only enough with which to buy a pair of overshoes, thus evidencing the same lack of information about the grim realities of the whole matter before us which is so characteristic of Senators on the other side of the aisle.

I hold in my hand an NEA telephoto of a farmer who is displaying a sales slip concerning the sale of a calf. I am certain the Senator from Indiana will be interested in hearing about this, since he could not understand how it was that someone could sell a hog and not be able to buy more than a pair of overshoes. This is what the NEA news item says:

Sells calf at loss: Farmer Albert Howland, of Neosho, Mo., has reduced the farmer's plight to simple arithmetic. Howland, who milks 14 cows on an 80-acre farm, recently sent a 2-week-old Jersey calf to market at Neosho. It sold for \$1.25. The sales ticket Howland displays shows a total deduction of 90 cents—60 cents commission, 25 cents yardage fees, and 5 cents for insurance. That left him 35 cents balance. Then the trucker who took the calf to market billed Howland \$1 and Howland ended up with a 65-cent loss.

Mr. HUMPHREY. The Senator from Oklahoma has given us more useful information.

I wish to go back for a moment. The Senator from Indiana was talking about the act of 1938. I should like to quote from page 3607 of the CONGRESSIONAL RECORD of May 6, 1941, when the act of 1938 was being amended, and when the so-called Steagall amendments were being brought into the legislative picture. Senator Bankhead was at that time, I believe, the chairman of the Committee on Agriculture. He said:

Mr. President, the subject of parity income for farmers is one of paramount importance at this time. As a result of the expenditure of billions of dollars by the Federal Government in its national preparedness program prices of industrial commodities are getting higher. The pay of industrial workers is increasing, and those increases are reflected in the cost of industrial commodities which the farmers must buy. The foreign markets for some of the basic agricultural commodities, particularly cotton and wheat, have com-

pletely disappeared. Six or seven million bales of cotton which have normally been exported each year are now eliminated from world trade. Millions of bushels of wheat which in normal times are sold to foreign markets annually are now held in elevators under Government loans. Excessive surpluses of corn are also in the ever-normal granaries.

That was under the old flexible system. Price supports had been flexed down to 52 percent of parity, as will be pointed out later; I have the figures.

From page 3610 of the CONGRESSIONAL RECORD for May 6, 1941, listen to this:

There is no prospect for an increase in the price of wheat and cotton. There is on hand at this time the largest surplus of each of these commodities in the known history of the world.

One would think that Ezra Benson and the other Republicans would have read that. The economy was under flexible price supports, and the supports were flexed down so far that the economy was practically on its back. There were surpluses and surpluses. But what did Congress do? Did Congress decide to correct the situation? Yes. It decided to put an effective system of price supports and production controls into effect, which is exactly what the 90 percent of parity program results in. That was what Senator Bankhead said.

The object of the bill before the Senate is to take another step toward benefiting basic agricultural commodities. What does it mean when we speak about the "parity price"? It means a fair price for farm products and a fair income for farmers.

Then Senator Bankhead goes on to tell about the use of the yardstick of a base parity. There is considerable discussion about the parity price picture, but I think the important factor to be noted is that at the very time when there were huge surpluses, and Congress was attempting to do something about the depressed conditions in agriculture, Congress came forth with a 90-percent-of-parity program. The results speak for themselves. They were effective results.

Mr. President, I am now going to turn to a matter almost apart from what I would call the regular presentation of my debate on the agricultural situation. I hope my colleagues will remain in the Chamber, if that be possible, because I propose to bring to their attention something which will be rather shocking. I want to amplify earlier charges about some of the attempts to lobby and to influence legislation. Propaganda bar-rages have been circulated, and misconceptions have been deliberately created.

Some of my colleagues have expressed interest in the organized public-relations campaign being conducted against the farm bill now before the Senate, particularly in view of the recent determination expressed by this body to examine carefully all lobbying attempts to influence legislation.

Because of some of the questions which have been raised, I shall depart briefly from the intended order of my remarks to expand a bit on the professional public relations techniques and operations being brought into this administration.

Any of my colleagues who are interested in the lobbying question will receive some first-class information about how experts lobby.

Perhaps what I shall say will help explain how some of the myths I intend exposing, as I go along, became implanted in the public mind in the first place.

I found some of my colleagues amazed that the Republican senatorial and congressional campaign committees were conducting an organized campaign of newspaper advertising and radio advertising throughout the country, even to the extent of printing coupons for farmers to sign and send to their representatives, telling them how to vote. Apparently this advertising campaign has not been too effective with farmers, however; otherwise more Members of Congress would have heard about it, and more of them would have been impressed with it.

In any event, it was not news to me. I warned on the floor of the Senate some time ago that the Republicans were setting out to spend up to a quarter of a million dollars to defeat the only provisions in the bill which meant added income to farmers this year. I hope my colleagues will listen to what I am about to say.

The distinguished Senator from Louisiana [Mr. ELLENDER] pleaded for bipartisan consideration of the farm bill. He met with the Secretary of Agriculture to assure the Secretary of bipartisan consideration of and support for the farm bill. The Senator from Louisiana, as chairman of the Committee on Agriculture and Forestry, asked all the members of the committee to join together on one bill. He asked Republicans and Democrats alike to agree on one bill, so as to keep the entire matter on the basis of an economic discussion and a policy discussion, rather than a partisan discussion.

In the midst of the committee hearings the Secretary of Agriculture went across the country and engaged in some of the most partisan speeches ever delivered by a Cabinet officer. We have witnessed since that time a campaign of organized propaganda—a campaign, I am happy to report, I exposed before it even came about, on February 14, 1956.

Mr. President, I ask unanimous consent to place in the RECORD at this point a press statement I issued to that effect on February 14, 1956.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**GOP TO SPEND QUARTER MILLION FIGHTING FARM INCOME GAINS**

Farmers of the Nation were warned by Senator HUBERT H. HUMPHREY, Democrat, Minnesota, that the Republican National Committee was about to spend \$250,000 "to defeat the only provisions in the new farm bill that would increase farm income."

"I am reliably informed that the Republican National Committee has authorized spending a quarter of a million dollars on an advertising and public relations campaign purportedly to support the administration's version of the farm bill," Senator HUMPHREY said.

"What they obviously mean is to defeat the improvements added by the Senate Commit-



tee on Agriculture designed to increase income of farmers this year.

"I am shocked by such a brazen repudiation of the bipartisan work of the Senate Committee on Agriculture, after all the lip service the Secretary of Agriculture has given to keeping politics out of the farm bill," he declared.

The only provisions in the new bill meaning more income for farmers this year were new provisions added by the Senate Committee, Senator HUMPHREY declared.

"Not one thing in the administration's proposal adds to farm income this year, despite all the misleading impressions being given the American people.

"It is time they told the people the truth—that the administration's version of the soil bank was designed solely at solving its own problem of what to do about the surplus on its hands, without any intention of bolstering farm income this year.

"All that the soil bank payments amount to are replacement of income a farmer would have been entitled to if he planted up to his full allotment, instead of taking a voluntary cut. It is just partially replaced income, not in any way increased income.

"The entire emphasis of the administration's proposal has been upon what the farmer does not produce, without any regard or concern for prices on what he does produce.

"We have corrected this by seeking to assure more farmers of some semblance of decent prices for what they do produce, as a means of enabling more of them to cooperate in production adjustments without drastic loss of farm income.

"If the Republican National Committee insists on its Madison Avenue high-pressure advertising campaign against these changes made by our Senate Committee on Agriculture, it is just one more indication that the Republican Party does not really care very much about what happens to farmers and farm income.

"All they seem concerned about is getting rid of food stocks now in Government hands, regardless of what happens to the farmer.

"If they are as concerned as they profess about this so-called but greatly over-rated surplus, why don't they start really giving some attention to wiser use of our abundance both at home and abroad, through such ideas as a domestic good stamp plan to supplement diets of low-income families, and a world food bank to combat famine abroad?" Senator HUMPHREY asked.

Mr. HUMPHREY. Mr. President, I repeat that this huge expenditure is boomeranging in farm areas.

I ask unanimous consent, Mr. President, to place in the RECORD at this point an editorial from the Shakopee Valley News, of Shakopee, Minn., published February 23—one of our newspapers that published the paid ad I have referred to about "Help Eisenhower pass the new farm program—you will benefit this year if Congress acts before spring planting time," as the misleading advertisement so temptingly claims.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### MAKE YOUR WISHES KNOWN

On another page of this newspaper appears a paid ad, sponsored by the National Republican Congressional and Senatorial Committee. It came to us from a New York advertising agency, and is accepted for publication in this newspaper at regular rates.

Its publication does not by any means indicate that the editor of this newspaper is in agreement with the content of the advertisement nor the method used to sell the present farm program to the farmers. While we are

proud of the ability of advertising in this newspaper to obtain results, in this instance we are dubious if many of our farm readers will buy the story. Particularly since every Member of Congress from Minnesota, with the exception of Representative WALTER JUDD—who represents urban south Minneapolis—is not completely in favor of the farm program as presented to Congress.

Obviously, the purpose of the ad is to sell the nine-point program and to obtain as many expressions of support as possible. It might be well for those opposed, those who favor 90 percent of parity, for instance, to also write their congressional leaders and state their views. A 2-cent post card containing a message as brief as "I favor 90 percent of parity, now," would be enough. You can write your Senators, HUBERT H. HUMPHREY and EDWARD J. THYE, the Senate Office Building, Washington, while the Congressman from this area is Representative JOSEPH P. O'HARA, House Office Building, Washington, D. C.

A better editorial on the subject is the letter to the editor from a Scott County farm mother printed in this issue. It is well worth your reading.

Mr. HUMPHREY. Mr. President, the editorial contains some worthwhile information, and I hope it will be carefully read.

It is interesting to read that newspaper's reaction. It publishes the ad, but adds that "its publication does not by any means indicate that the editor of this newspaper is in agreement with the content of the advertisement nor the method used to sell the present farm program to farmers."

The editor of the Shakopee Valley News has more courage and honesty than have many editors. Weekly newspapers need advertising to survive, and most would welcome such a handout from the Republicans with open arms. And it is mighty difficult to resist the temptation of showing their appreciation by editorially supporting what they are getting paid to run.

But this editor goes on to say:

While we are proud of the ability of advertising in this newspaper to obtain results, in this instance we are dubious if many of our farm readers will buy the story.

The editor apparently knows his farm readers better than does the Republican high command here in Washington.

He winds up his editorial with the comment, "A better editorial on the subject is the letter to the editor from a Scott County farm mother, printed in this issue. It is well worth your reading."

Mr. President, I agree.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I should like to read these nine points and ask the Senator whether he is opposed to them.

Mr. HUMPHREY. I have read those points several times in the RECORD.

Mr. CAPEHART. Does the Senator object to any of the nine points?

Mr. HUMPHREY. That is like asking someone if he objects to faith, hope, and charity, and mother love. Those nine points are about as pointed as a billiard ball.

Mr. CAPEHART. No. 9 in the ad reads:

Refund gasoline tax to farmers on motor fuel used in farming operations.

Mr. HUMPHREY. Is that the Republican farm program?

Mr. CAPEHART. I am talking about what is in the ad. Is the Senator opposed to that?

Mr. HUMPHREY. No.

Mr. CAPEHART. Still reading from the ad, No. 8 reads:

Assure adequate credit to farmers to meet capital needs of present farmers, help young farmers get started, tide farmers over emergencies.

Is the Senator opposed to that?

Mr. HUMPHREY. That is like asking someone, "Are you opposed to the calendar?" Why do we not talk about specific proposals?

Mr. CAPEHART. No. 7 reads:

Increase farm research appropriation to find new uses and new markets for farm crops, lower production costs, and increase farm profits.

Is the Senator opposed to that?

Mr. HUMPHREY. Is the Senator from Indiana opposed to Christmas?

Mr. CAPEHART. No. 6 reads:

Push forward the Great Plains program to stabilize income in drought-stricken areas, and to prevent another dust bowl.

Is the Senator opposed to that?

Mr. HUMPHREY. How does the Senator feel about Mother's Day? That is just as fair a question.

Mr. CAPEHART. No. 5 reads:

Expand rural-development program to help low-income farm families live better, earn more.

Is the Senator opposed to that?

Mr. HUMPHREY. Proceed.

Mr. CAPEHART. No. 4 reads:

Protect family-type farms by limiting the size of price-support loans made to large corporate-type farms.

Is the Senator opposed to that?

Mr. HUMPHREY. No; but the Department of Agriculture is. Its representatives came before the Senate Committee on Agriculture and Forestry and said it was unworkable. They said it was administratively impossible. I thought that President Eisenhower had something to say about this administration. Possibly not. Maybe he was away at that time and had nothing to say about it, but Under Secretary of Agriculture True Morse said this was an unworkable procedure. That is one of the nine points. We shall have to strike that one out.

Mr. CAPEHART. No. 3 reads:

Strengthen commodity programs on wheat, corn, dairy products, soybeans, cotton, and rice. Ease production controls wherever possible.

Is the Senator opposed to that one?

Mr. HUMPHREY. I may say to the Senator from Indiana, since he is indulging in this questioning period—although I have the floor, I am happy to yield to him—this administration has imposed more restrictions on farmers than has any other administration. The present administration prattles about freedom from controls, and then imposes more controls, more acreage limitations, more quotas than has any other administration in the history of the Nation. This administration did not ask for a



better program for commodities; it asked for permission to increase commodity restrictions.

Mr. CAPEHART. Still reading from the ad, No. 2 reads:

Laws to permit faster surplus disposal especially in foreign markets. Selling, not storage, is the answer.

Is the Senator opposed to that?

Mr. HUMPHREY. No; I am not opposed to that anymore than I am opposed to having 29 days in February every leap year. I trust and suggest the Senator is too wise a man to read such glaring generalities and say the constitute a program. I hope the Senator is not going to go around in Indiana and campaign before his farmers on the basis of such generalities.

Mr. CAPEHART. No. 1 reads:

A voluntary, 2-point soil bank to take 40 to 45 million acres out of production of your problem crops, get rid of the surplus, raise prices.

An acreage reserve which uses the surplus to reduce the surplus.

A conservation reserve to prevent future surpluses and to build back soil for future needs.

Is the Senator opposed to that?

Mr. HUMPHREY. Yes; until I find out how much money it involves.

Mr. CAPEHART. Oh, I see.

Mr. HUMPHREY. I may say to my friend from Indiana that a nice speech can be made on the floor about a soil bank, such as the Senator has read, but how much is to be paid in benefits to the farmers?

Mr. CAPEHART. I was merely reading the nine points to which the Senator was objecting. The minute I read them, I knew the Senator from Minnesota was in agreement with all of them.

Mr. HUMPHREY. Nobody is objecting to the philosophy and the righteousness and tonal qualities of this particular ad, except it is not before the Congress to be voted on. The only bill which was ever introduced in conformity with it was finally withdrawn by the sponsors of the bill.

Mr. CAPEHART. The point I was making was that the Senator agreed with the 9 points.

Mr. HUMPHREY. They are just about as pointed as a tennis ball. I previously said billiard ball, but I shall soften it up. A billiard ball is too hard. It is like asking, "Do you believe in law and order?" The answer would be "Yes." The next question would be, "Do you believe in a speed law not to exceed 25 miles an hour?" The answer might be, "That goes beyond law and order."

The Republican administration has said it wants parity in the market place. We have never been told how the farmers were going to get it. The administration says it wants farm credit, but it curtails farm credit. The administration says it wants agricultural research, but when it sends its budget to Congress it cuts down the request for research appropriations. The administration says it wants soil conservation, but when its budget is sent to Congress, it cuts its request for soil conservation. The administration says it wants school

lunches, but when it sends its budget to Congress, it cuts its request for appropriations for that program. The administration says it wants everything that would do good, but it does not want to pay for it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. I wish to ask the Senator a question of fact, because in the advertisement which has been the subject of the discussion, there is a point—I think it is point 3—in regard to protecting commodity prices.

Mr. HUMPHREY. Yes. Point 3 reads:

Strengthen commodity programs on wheat, corn, dairy products, soybeans, cotton and rice. Ease production controls wherever possible.

What an escape hatch.

Mr. MORSE. Is it not true that ever since Mr. Benson has been Secretary of Agriculture, starting early in 1953, he has proceeded to exercise the discretion he has had under existing law to cut support prices on item after item, with the result that there is not a single agricultural commodity over which he has had jurisdiction as to which he has not followed a course of action which has resulted in cutting of prices, save and except as to wool, and in the case of wool, the Congress passed the wool bill, so he could not touch that?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I should like to read into the RECORD the type of loans available at the moment.

Mr. HUMPHREY. Would the Senator mind placing it in the RECORD?

Mr. CAPEHART. I could do that. I thought the Senator might yield me enough time to read it, but I shall be guided by his wishes. Let me read the headlines: "Production and Subsistence Loans"; "Soil and Water Conservation Loans"; "Farm Ownership Loans"; "Special Livestock Loans"; "Emergency Loans."

Mr. President, I ask unanimous consent that the statement, which contains an explanation of each of those items, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

*Farmers' Home Administration loans in recent years have broken all records*

|                |               |
|----------------|---------------|
| United States: |               |
| 1953           | \$228,500,000 |
| 1954           | 292,500,000   |
| 1955           | 293,189,000   |

#### TYPES OF LOANS AVAILABLE

Production and subsistence loans: For equipment, livestock, feed, fertilizer, seed, other farm and home operating expenses. Repayable over 7-year period. Up to \$10,000 can be borrowed.

Soil and water conservation loans: For financing soil-conservation measures, for developing water supply systems for farm homes, livestock, and irrigation. Repayable over periods up to 20 years. Passed by 83d Congress.

Farm ownership loans: For purchase and development of family-type farms and for construction and repair of houses and other buildings on family-type farms. Repayable over 40 years.

Special livestock loans: For feed, repairs, labor, replacement of livestock, and other operating expenses necessary to continued operations. Payable over 3 years. Passed by the 83d Congress.

Emergency loans: For meeting operating expenses required for continuing normal operations. Available in designated areas where need for credit exists because of economic conditions or losses resulting from natural disasters. Secretary Benson on February 21, 1956, authorized loans under Public Law 727, 83d Congress, in Indiana and 12 other Midwestern and Southern States. Emergency loans previously authorized in many other areas. Emergency authorities broadened by 83d Congress.

Mr. HUMPHREY. Will the Senator from Indiana tell us how many the Republicans sponsored, and how many this administration is responsible for?

Mr. CAPEHART. Frankly, I do not know. But I wanted to make that statement during the debate, because a few minutes ago the Senator from Minnesota was complaining that this administration was not helping the farmers, through loans, and that the farmers should have more credit.

If the Senator from Minnesota and his colleagues wish to take credit for these proposals, the least they should do is not criticize this program. They may take the credit if they wish—I do not care. But if they do, they should not criticize their own program.

Mr. HUMPHREY. Is the Senator from Indiana through?

Mr. CAPEHART. Yes.

Mr. HUMPHREY. The point is, not that there are not enough loans in number, but that the loans do not total a sufficient amount in dollars. Under this administration, the amount available to the Farmers Home Administration has been reduced.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. HUMPHREY. No, Mr. President; I do not yield.

Mr. CAPEHART. You cut back—

Mr. HUMPHREY. Mr. President, I did not yield to my perpetual interrupter. [Laughter.]

Let me say that the funds which have been available under this administration, and for which the administration attempts to take credit, have generally been made available in increasing the amounts by action of the Congress of the United States. The administration takes credit for a big soil-conservation program, whereas its budget request cut the heart out of that program. But the Congress restored the program. The Senator from Georgia [Mr. RUSSELL] took a very leading role in the restoration of that sum of money.

In the case of the emergency cattle loans, the Senator from Oklahoma [Mr. KERR] and other Senators fought on this floor to have that program authorized. What the administration did do in a great hurry, and all by itself, was to increase the interest rate applying to the



emergency loans; and Congress had to reduce the rate, later.

The distinguished Senator from South Carolina [Mr. JOHNSTON] brought that matter to our attention in the Committee on Agriculture and Forestry; and the Congress had to pass a bill to prevent the administration from increasing the interest rate.

Now we have to enact a law to compel the Secretary of Agriculture to raise the parity rate.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter, which was published in the readers' column of the Shakopee Valley News. The letter is from Mrs. George Knebel, of Prior Lake, Minn.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Shakopee Valley News of February 23, 1956]

To the EDITOR:

May I give you a housewifely example of the price squeeze that is pinching the farmers?

Recently, we bought our little son a pair of overshoes for \$4.50. It turned out that they weren't as sturdy as they looked. And as they were no good, it set me to thinking. (An involved process for me.)

We had paid 45 pounds of pork for the overshoes.

In 1953—45 pounds of pork equaled \$12;

In 1954—45 pounds of pork equaled \$9;

In 1955—45 pounds of pork equaled \$4.50 or a pair of small overshoes. So \$9 to \$12 equals \$4.50 to us now. It doesn't sound like 1 plus 1 equals 2 and it doesn't appeal to my sense of economy.

To my further dismay, the Republicans paid out \$250,000 to advertise their farm program. The eighth point in the program is extended easy credit to farmers. So then in 1956, do we charge our overshoes? That would be the next obvious step down.

I am no politician but think well before you send in that little slip so conveniently printed on the bottom of these Republican advertisements.

Mrs. GEORGE KNEBEL.

PRIOR LAKE, MINN.

Mr. HUMPHREY. Mr. President, in the letter, Mrs. Knebel writes as follows:

May I give you a housewifely example of the price squeeze that is pinching the farmers?

Recently, we bought our little son a pair of overshoes for \$4.50. It turned out that they weren't as sturdy as they looked. And as they were no good, it set me to thinking. (An involved process for me.)

We had paid 45 pounds of pork for the overshoes.

In 1953—45 pounds of pork equaled \$12;

In 1954—45 pounds of pork equaled \$9;

In 1955—45 pounds of pork equaled \$4.50 or a pair of overshoes. So \$9 to \$12 equals \$4.50 to us now. It doesn't sound like 1 plus 1 equals 2, and it doesn't appeal to my sense of economy.

Mr. President, I hope my colleagues will read that letter. It is short and to the point; it contains a great amount of logic. In fact, it contains more logic than do any of the arguments presented at length on this floor about what is happening to agriculture. Mrs. Knebel simply points out that she bought her little son a pair of overshoes costing \$4.50—and it required 45 pounds of pork to pay for them. She writes:

To my further dismay, the Republicans paid out \$250,000 to advertise their farm

program. The eighth point in the program is extended easy credit to farmers. So then in 1956, do we charge our overshoes? That would be the next obvious step down.

Then listen to her conclusion:

I am no politician, but think well before you send in that little slip so conveniently printed on the bottom of these Republican advertisements.

Mrs. Knebel has said a mouthful, and has performed a public service for other farm wives and mothers.

Advertising, no matter how effective, will not explain away the lack of any money in the hands of farm people after a year's work. A slick advertising program of the sort we have been discussing will help no one except the person who is paid for publishing the advertisement. Generalized statements about specific problems, rounded-out statements which mean all things to all people, do not fool the farm people. The farm people are not fooled as easily as some Senators seem to be. The farm people do not "buy" that kind of language. They will not accept it, because they want to know what rate of interest will be charged for the loans. That is what they want to know, instead of being told Eisenhower generalities about "more farm credit"—but actually meaning none, Mr. President. The farm people want to know something specific about strengthening programs. They have heard the malarkey about "bold, courageous, forward-looking programs" and the other slogans of the Republicans. The farmers have heard those things long enough. Now they want to know whether they will receive 90 percent of parity or a smaller percentage of parity, and they want to know what the interest rate will be.

Mr. President, such advertisements are an insult to the farmers of America. Furthermore, such advertisements are but a further indication of the lack of understanding on the part of this administration and its public relations experts in regard to what farmers need and what farmers are thinking about.

Mr. President, this advertising approach is nothing new in this administration.

We have been witnessing a strange transition into government by public-relations experts, from the White House on down. Today, we have in our Government people who seem to think it is just a big show, where professional experts are hired to try to fool the people and make them like it.

When a Cabinet officer finds he is unpopular and that the people disagree with the administration's policies, the administration does not seem to think about changing the policies. Instead, they call in some new public-relations experts.

The big-business executives in this Government are so used to selling the public that they are always right, that they have brought the same idea right into our Government.

So I suppose it is perfectly understandable, in view of this general attitude, what our Republican leaders would do when they faced an election year, and realized they had a Secretary of

Agriculture whose name was practically a bad word in most of rural America.

Mr. President, if you do not think Mr. Benson's name is a bad word in most of rural America, let me refer to a letter I have just received from the Wisconsin Agriculturist and Farmer, of Racine, Wis. This outstanding publication has been serving Wisconsin farm families for more than 105 years. It is a conservative agricultural publication. The managing editor is Mr. Arthur G. Broughton; and enclosed with his letter he sent a page proof from the March 3 issue. That page proof contains information which he describes as follows:

The enclosed page proof from the March 3 issue of the Wisconsin Agriculturist contains information which we think may interest you. Please see free to use it in any way you see fit.

Well, Mr. Broughton, I am just about to use it. I now point out, Mr. President, that page proof enclosed in the letter reads, in part, as follows:

Only 4 Wisconsin farmers out of 100 are willing to stand up and declare that Secretary Benson is doing a good job. You can see that the Secretary would hardly win a popularity contest in Wisconsin.

A big 55 percent of the State's farmers argue that he is definitely doing a poor job, while another 26 percent are kind of on the fence. They say that Benson is doing a fair job.

These are some of the figures dug up by a recent Wisconsin Agriculturist poll. They are the up-to-date thinking of how Benson is doing.

Mr. President, that poll has been going on for years. For example, in July 1953, 30 percent thought Mr. Benson was doing a good job, 42 percent thought he was doing a fair job, and 13 percent thought he was doing a poor job.

In September 1954, 14 percent—instead of the previous 30 percent—thought Mr. Benson was doing a good job; 38 percent—instead of the previous 42 percent—thought he was doing a fair job; and 37 percent—instead of the previous 13 percent—thought he was doing a poor job.

In September 1955 the opinion of Wisconsin farmers about Mr. Benson had changed even more; at that time they had an even worse opinion of him: 12 percent then said Mr. Benson was doing a good job; 34 percent said he was doing a fair job; and 45 percent said he was doing a poor job.

Then we find that in January 1956, only 4 percent thought Mr. Benson was doing a good job; 26 percent thought Mr. Benson was doing a fair job; 55 percent thought Mr. Benson was doing a poor job; and 15 percent made no answer.

In fact, the "no answer" percentages have ranged from 9 percent to 15 percent, between July 1953, and January 1956.

So it is perfectly understandable, Mr. President, why the Republicans want to have a public-relations firm do something about this matter.

Of course, the best way to do something about it is to change the policies. Similarly, the best way for the Russians to improve their international relations is, not to change what they say, but to change what they do. In



other words, the best way for the Soviet Union to get along with the rest of the world is for the Soviet Union to change its policies, not to hire a public-relations firm.

Similarly, the best way for this administration to become popular with the farmers is to change its policies, instead of hiring a public-relations firm. But, Mr. President, the administration hired one—and what a pip.

They did not try to change the Secretary, or change his policies. The administration just hired some public relations experts to glamorize him into a more attractive package to "sell" to the supposedly naive and innocent American farmers. They are anything but that, judging from the letters which we have received.

This morning I read a column to the effect that apparently there was not very much interest in the farm debate, that it was not a very controversial issue. Let me say to my friends of the Fourth Estate that if they want to see how controversial it is, all they need to do is to come to my office and take a look at the mail which I receive, or go to any other Senator's office. If I were to ask Senators, 1 by 1, "On what issue do you receive more mail than on any other?" the answer would be, without a doubt, "The agricultural issue." The farmers are speaking up in no uncertain terms.

If they could run a State Department by hucksterism, members of the administration must have reasoned, there is no reason why they could not popularize a failure into a supposedly successful Secretary of Agriculture.

So that is what was done. I think it is good for us to know this, to know what we have to combat. Reason and logic and the facts, apparently, are no longer enough. You have to compete with the Madison Avenue approach. There are great agricultural experts on Madison Avenue. They have three petunia plants to every block. If it was good enough to keep the people thinking the President can do no wrong, or be responsible for anything wrong, no matter how much may go wrong with his administration, I suppose the experts got the feeling that they had good justification for thinking it might even work on Benson.

We were forewarned by a story in the December 13 issue of the New York Times, headlined "GOP Promoting Its Farm Policy." The subheading said: "Hires Public Relations Firm To Sell Program With Eye on Next Year's Election."

I should like to read a few opening portions of that story. This is how it starts:

WASHINGTON, December 12.—The administration and the Republican National Committee have embarked on a public-relations program calculated to turn a sow's ear into a silk purse.

The Republicans have retained a leading public-relations concern to turn the administration's farm policy, which seems to be unpopular among farmers, into an asset before the 1956 elections.

The Republicans believe they have failed to make a strong counteroffensive against Democratic attacks on the soundness of the policy. To remedy this, they have hired

Braun & Co., of Los Angeles, as consultant to the national committee's farm division.

Let me digress from the article for a moment, to repeat that name: Braun & Co. I ask Senators to remember it.

What was Braun & Co. going to do?

Let me read the next paragraph:

The concern will help guide Ezra Taft Benson, Secretary of Agriculture, on his public relations, including speeches and other public pronouncements on farm problems.

This explains why Benson's speeches have no relationship whatsoever to the facts which his own Department presents in the Agricultural Marketing Service bulletins. I apologize to Mr. Benson for criticizing him for the manner in which he used those facts. He hired a firm in Los Angeles, next to Hollywood, to prepare the farm speeches, but they never got around to finding out that there were such things as facts, or Mr. Benson would never have been making the speeches he was making.

Continuing with the article:

It will also cover relations with Congress, as that body tackles new agriculture legislation and suggestions by Mr. Benson.

If my colleagues do not know that they are being public relationed, I wish to inform them that they are. This firm is being paid a great deal of money to public relation us. I suppose that is why they have been able to offer a special deal on corn, a special deal on rice, a special deal here, there, and everywhere, as a part of the public relations program.

There is more to the article, and I think my colleagues will want to read it all.

Mr. President, I ask unanimous consent that the entire story appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**GOP PROMOTING ITS FARM POLICY—HIRES PUBLIC RELATIONS FIRM TO SELL PROGRAM WITH EYE ON NEXT YEAR'S ELECTION**

(By William M. Blair)

WASHINGTON, December 12.—The administration and the Republican National Committee have embarked on a public relations program calculated to turn sow's ear into a silk purse.

The Republicans have retained a leading public-relations concern to turn the administration's farm policy, which seems to be unpopular among farmers, into an asset before the 1956 elections.

The Republicans believe they have failed to make a strong counteroffensive against Democratic attacks on the soundness of the policy. To remedy this, they have hired Braun & Co., of Los Angeles, as consultant to the National Committee's farm division.

**TO HELP GUIDE BENSON**

The concern will help guide Ezra Taft Benson, Secretary of Agriculture, on his public relations, including speeches and other public pronouncements on farm problems. It will also cover relations with Congress as that body tackles new agriculture legislation and suggestions by Mr. Benson.

Republican political leaders, members of Congress and other party men have long complained that Mr. Benson, while sound in principles, has failed to build confidence among farmers during the difficult period of adjusting production to consumption.

Committee officials said the immediate problem was "to keep within the Secretary's principles but recognize that there is a practical political job ahead."

The committee's farm division will be expanded to include personnel in the field to work with GOP farm groups and farmers themselves. Rollis S. Nelson has transferred from Mr. Benson's staff to head the division which has been inactive in recent months as farm prices and income sagged.

Ted Braun, head of the public-relations concern, has put Jennings Phillips in charge of the Washington operation. Mr. Phillips has managed the concern's Salt Lake City division since 1942. He is a former western newspaper man and once was political editor of the Salt Lake City Telegram.

Mr. HUMPHREY. Mr. President, I certainly have nothing against Braun & Co. They have been doing a mighty impressive job. They have been doing the job they have been paid to do.

While I personally question the propriety of such an approach to good government, I recognize the right of the Republican National Committee and Secretary Benson to use any means at their command to try to convince farmers that he is not so bad after all.

We talk about the Benson farm program. Let us quit kidding ourselves. This is the Eisenhower farm program, which is bankrupting American agriculture. Benson would not be there for another minute if the President were to take time out to dismiss him.

I think we have been a little unfair to Mr. Benson. He is carrying out orders. He is loyal to the "Chief." The President of the United States is responsible for this farm program. Mr. Benson is there because the President wants him there. So I want whatever I say in this speech relating to Mr. Benson to go right back where it belongs, to the top roost, at 1600 Pennsylvania Avenue, the White House.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. To bring out the situation clearly, Mr. Benson is there because the President appointed him. Is not that true?

Mr. HUMPHREY. That is exactly correct.

Mr. JOHNSTON of South Carolina. He remains there at the pleasure of the President.

Mr. HUMPHREY. The Senator is correct.

Mr. JOHNSTON of South Carolina. The President can remove him any time he desires to do so.

Mr. HUMPHREY. The Senator is correct.

Mr. JOHNSTON of South Carolina. Mr. Benson is supposed to carry out the orders of the President, is he not?

Mr. HUMPHREY. The Senator is exactly correct. Let me say that many times the President has supported Mr. Benson, as he should do if Mr. Benson is being kept on the job.

Furthermore, the reason the public relations firm was hired was that, so long as the President was going to have Mr. Benson on the job carrying out Mr. Eisenhower's policies, and so long as the policies were not to be changed, policies



which have made it difficult for Mr. Benson to have any following in this country, something had to be done about glamorizing Mr. Benson. There is a simple way to popularize Mr. Benson, and that is to change the policy.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. I assume the Senator from Minnesota will not be surprised when I tell him that a farmer came before our Agricultural Committee at Columbia, S. C., and stated that President Eisenhower had made a speech on the Statehouse steps, across the street from where we were meeting, in which he stated that he was for 90-percent parity, and for 100 percent in the marketplace. The farmer said, "I was surprised at that, but I now find that he is not for that policy." He said, "You know, I sent that man my check for \$750 to help him in the campaign." Today he is saying that President Eisenhower ought to fire Mr. Benson because he is not carrying out the program upon which Eisenhower was elected.

Mr. HUMPHREY. I have a better, surer system. The only thing to do is to see that there is a change in the administration next year. The public will have to register its votes, to fire the man who ought to be firing Benson.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is it not a fact that yesterday at his press conference the President reaffirmed his rigid and inflexible support of Mr. Benson's flexible supporters?

Mr. HUMPHREY. The Senator is absolutely correct.

So the public relations firm was hired. It has a big job, requiring a big, experienced agency. It has been busy at the job. It has opened special offices, and brought an experienced political writer here from Secretary Benson's home State to direct the propaganda operations. Perhaps it is responsible for the fine Republican speech which Secretary Benson delivered at a recent GOP rally in St. Paul. It was a very interesting speech. I saw the Secretary at the joint meeting of the House and Senate the other day, and I congratulated him on the speech which he had delivered at St. Paul. It had a great deal of humor in it. I should have said it consisted mostly of humor, and not substance, but I congratulated him on its humor. It was better than Mr. Benson's usual speeches, especially the crack about, "You don't play on Hubert's private course if you shoot under 90."

Golf has a way of permeating the administration, even down through the Department of Agriculture. Secretary Benson says, "You don't play on Hubert's private course if you shoot under 90."

What he was saying, in effect, was, "You do not go into Minnesota and talk about farm problems unless you say '90 percent of parity or over'."

The Secretary surely knew the temperament of Minnesota farmers. I do not call Minnesota "Hubert's course." The State of Minnesota is not a golf course. The State of Minnesota consists of productive land, where people do

something besides chase a little ball. The State of Minnesota consists of productive farm land, industries, machinery, and energetic people.

But good or bad public relations experts as they may be, I seriously question the propriety of Secretary Benson and the Republican National Committee using them under circumstances I feel compelled to mention.

Whether Secretary Benson knows it or not, the public relations firm engaged to "popularize" him stands accused by the Justice Department of conspiring in criminal violations of the antitrust law. That is the Braun Co.

That is a rather blunt charge, and I regret I have to make it. I would not make it if I could not document everything I am saying. And I would not make it if I did not feel this Senate should know about it.

Let me emphasize I am in no way attempting to pass upon the guilt or innocence of this firm.

I have not brought the charges. Attorney General Brownell has.

It just seems to me that our Cabinet officers should get together now and then and compare notes. We have had plenty of strange conflicts within this administration, but this is one of the most glaring.

Here we have one Cabinet member accusing a public relations firm of being a coconspirator in antitrust violations, and the same firm is engaged not only to popularize another Cabinet officer, but to help with his relations with Congress.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to complete this paragraph; then I shall be glad to yield.

If Attorney General Brownell is wrong about this firm, I hope Secretary Benson will tell him so, to avoid any personal embarrassment of having his personal press agents prosecuted. If Secretary Benson is wrong in making use of the services of this firm, I hope the Attorney General will pick up the telephone and tell him so. I do not think even Secretary Benson would like to be popularized by a firm one of his fellow Cabinet officers is prosecuting.

The departments of the Government have representatives in the galleries. They are listening to what is being said here. If any of those representatives are in the gallery today, I suggest that they take back word to their departments that if Mr. Brownell is wrong, Mr. Benson should tell him. If Mr. Benson is wrong, Mr. Brownell should tell him. They should get together. Here we have a public relations firm facing prosecution by the Department of Justice for violating the antitrust laws. It was originally involved in a criminal indictment, which was later changed to a civil suit plus what in legal terminology is a "criminal information." I now yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, does the Senator believe that the President knows anything about it?

Mr. HUMPHREY. I am having trouble enough trying to keep up with what the President is supposed to know about.

Mr. KERR. A short time ago the President issued quite a denunciation of the arrogance of lobbyists in Congress. Can the Senator tell me anything that is more arrogant than the practice of the Secretary of Agriculture in employing a firm which is under prosecution on a charge like that?

Mr. HUMPHREY. I do not remember anything that might be more arrogant, or, if the Senator will permit me to say so, more stupid.

Mr. KERR. Either the Justice Department is arrogant in prosecuting the firm, or Benson is arrogant in employing the firm while it is under prosecution.

Mr. HUMPHREY. I will accept that evaluation.

The charge against Braun & Co. brought by Attorney General Brownell involves a civil antitrust suit and criminal information filed against Safeway Stores, Inc.

The action brought by Brownell specifically names Braun & Co. as coconspirators designating it as "a corporation engaged in public relations counseling, and is so employed by Safeway."

I wish the Senator from Wyoming [Mr. O'MAHONEY] were on the floor. A number of times on the floor of the Senate he has pointed to some of the practices which are indulged in in connection with the purchasing of meat products by some of the large grocery firms. It is interesting to note where Secretary Benson gets most of his advice on the subject of meat products, as well as other advice.

Mr. President, I would prefer to let the charges signed by Attorney General Herbert Brownell, Jr., speak for themselves.

I ask unanimous consent to have placed in the RECORD at this point a copy of Criminal Action No. 9584, filed November 1, 1955, in the United States District Court, Northern District of Texas, Fort Worth Division, entitled "United States of America against Safeway Stores, Inc., Lingan A. Warren, and Earl Cliff."

There being no objection, the document was ordered to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA v. SAFEWAY STORES, INCORPORATED, LINGAN A. WARREN, AND EARL CLIFF, DEFENDANTS—CRIMINAL ACTION NO. 9584—FILED NOVEMBER 1, 1955

#### INFORMATION

The United States of America, acting through its attorneys, charges:

#### COUNT I

##### *The defendants*

1. Safeway Stores, Inc. (hereinafter referred to as Safeway) is made a defendant herein. Safeway is a corporation organized on March 24, 1926, under the laws of the State of Maryland. It has its headquarters and principal offices at Fourth and Jackson Streets, Oakland, Calif. Safeway operates retail stores in the United States in which it sells to consumers food and food products.

2. Each of the persons whose name and address is listed below is made a defendant herein. Each of said defendants has been, during part or all of the period of time covered by this count of this information, associated with Safeway in the capacity below indicated. Each of the defendants listed below within said period and within the last 5 years has been actively engaged in the management, direction, and control of the affairs, policies, and acts of Safeway, and



has authorized, ordered, or done some or all of the acts constituting the offense herein-after charged.

Lingan A. Warren, Oakland, Calif., president and director; Earl Cliff, Dallas, Tex., manager of Dallas division.

3. The acts alleged in this count of this information to have been done by Safeway were authorized, ordered, or done by the officers, directors, employees, or agents thereof, including but not limited to those individuals named as defendants herein.

#### *The coconspirator*

4. Braun & Co., of Los Angeles, Calif., incorporated in 1936, is named as a coconspirator in this count of this information. It is a corporation engaged in public relations counseling and is so employed by Safeway.

#### *Definitions*

5. The term "Dallas division" as used herein shall mean all those cities in the State of Texas east of longitude 102 in which Safeway operates retail food stores. (In general, this includes most of the cities in Texas within approximately 185 miles from Dallas.)

6. The term "El Paso division" as used herein shall mean all those cities in the State of Texas west of longitude 102 and all the cities in the State of New Mexico in which Safeway operates retail food stores. (In general, this includes that part of Texas west of longitude 102 and south of latitude 32 and that part of New Mexico east of the Rio Grande.)

7. The term "grocery section" as used herein shall mean that section or department in each of Safeway's retail stores in which Safeway classifies all its merchandise other than produce and fresh meats.

8. The term "food and food products" as used herein shall mean all merchandise of the types sold in the grocery, produce, and meat sections of Safeway's retail stores.

#### *Trade and commerce involved*

9. Crops and livestock, after production, move in a constant stream from farms to urban centers. Large quantities thereof are shipped from the State of production to other States for processing, canning, packing, or conversion into food products. In some cases, these products are then transported to wholesalers in still other States for distribution to retailers in the same and other States for resale by them to consumers. In other cases, such products are shipped to direct buyers, including voluntary buying groups, for resale in retail stores. Thus, food and food products move in a continuous flow in interstate commerce from points of production in one or more States to the consumers in other States, through the medium of producers, canners, packers, processors, wholesalers, and retailers.

10. Through its subsidiary, Salem Commodities, Inc. (hereinafter referred to as Salem), and its own divisions, Safeway purchases and processes numerous foods and food products. Products so processed include coffee, tea, margarine, shortening, salad dressing, soaps, gelatin desserts, cereals, canned fruits and vegetables, candy, jams and jellies, peanut butter, and a large number of dairy products and baked goods. These products generally are shipped from the place where the processing operations are performed to each of Safeway's warehouses in other States, where they are distributed to Safeway's retail stores and sold to consumers.

11. In addition, Safeway purchases directly, and through Salem, large quantities of food and food products from other manufacturers and processors in various States of the United States. These products are usually shipped directly from the manufacturer or processor to Safeway's warehouses in the several States, where they are distributed to its retail stores, and resold to consumers.

12. Food and food products procured directly by Safeway or through Salem are purchased in various States of the United States and shipped in interstate commerce to Safeway's warehouses, including its warehouses at Dallas and El Paso, Tex. These warehouses are the conduit through which food and food products purchased or processed by Safeway and Salem move in interstate commerce from producers to consumers in the States of Texas and New Mexico.

13. On December 31, 1954, Safeway operated 1,869 self-service retail food stores in the United States, having total sales in 1954 of \$1,634,769,000. These stores are located in 19 States west of the Mississippi River, and in Maryland, Virginia, New York, New Jersey, Pennsylvania, and the District of Columbia. Safeway's retail operations in the United States are divided into 15 distribution divisions. The merchandising programs of the divisions are arranged and held in conformity with Safeway's unified national policy through compliance with frequent directives issued from headquarters in Oakland which are designed for the guidance of division officials and which are regarded as controlling. Among the merchandising policies thus established at headquarters for subsequent effectuation by the divisions are: determination of store expansion or store closings; determination of sales quotas to be attained in cities in which Safeway does business; and determination of pricing policies for stores.

14. Safeway has approximately 109 retail stores located in 64 cities within the Dallas division in Texas. It has approximately 41 stores located in 26 cities within the El Paso division. Of these 41 stores, 15 are in Texas and 26 are in New Mexico. Total sales by all Safeway stores in the Dallas division in 1954 were \$118,772,087, and in the El Paso division were \$37,145,536. Safeway sells substantially more food and food products in its retail stores in these divisions than any of its competitors.

#### *Combination and conspiracy to monopolize*

15. Beginning in or about 1954, the exact date being unknown to the attorneys for the United States, and continuing thereafter, the defendants, the coconspirators herein named, and others unknown to the attorneys for the United States, have engaged in a combination and conspiracy to monopolize the above-described interstate trade and commerce in the sale of food and food products at retail in the Dallas and El Paso divisions, in violation of section 2 of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," as amended (26 Stat. 209, 15 U. S. C. § 2), commonly known as the Sherman Act.

16. The combination and conspiracy herein charged has consisted of a continuing agreement and concert of action among the defendants, the coconspirator named herein, and other persons unknown to the attorneys for the United States, the substantial terms of which have been that defendants agree:

(A) To secure for Safeway an arbitrarily determined proportion of the total retail business in food and food products in each of the cities in the Dallas and El Paso divisions, this proportion being approximately half of the total of such retail business in the smaller cities, and at least 25 percent in the larger cities, by (1) fixing arbitrary sales quotas for each Safeway retail store; and (2) requiring that the sales quotas so fixed be attained by Safeway personnel.

(B) To engage in price wars in selected cities in the Dallas and El Paso divisions in order to injure and destroy competitors in the retail grocery business and to achieve for Safeway the arbitrary sales quotas fixed for these cities:

(1) by intentionally operating Safeway's retail stores in selected cities in Texas and

New Mexico below the cost of doing business;

(2) by intentionally selling numerous items in the grocery sections of Safeway's retail stores in selected cities in the Dallas division below the invoice cost of such items delivered to Safeway's warehouse in Dallas;

(3) by intentionally selling numerous items in the grocery sections of Safeway's retail stores in selected cities in the Dallas division at prices lower than the prices charged for these items by Safeway in other cities in Texas and in other parts of the United States.

17. During the period of time covered by this count of this information, and for the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants, by agreement and concert of action, have done the things which, as hereinbefore alleged, they agreed to do.

#### *Effects*

18. The effects of the aforesaid offense, among other things, have been:

(A) To exclude competitors of Safeway and eliminate and restrain competition with Safeway in the sale of food and food products in Texas and New Mexico;

(B) To depress the general retail price structure for groceries in various cities in the Dallas and El Paso divisions;

(C) To drive some independent grocers in Texas out of business;

(D) To force other independent grocers, retail grocery chains and food wholesalers in Texas to sustain severe financial losses, or losses in sales volume, or both.

#### *Jurisdiction and venue*

19. The offense charged in this count of this information has been carried out in part within the Fort Worth division of the northern district of Texas and within the jurisdiction of this Court. During the period of time covered by this count of this information some of the defendants named herein, within the Fort Worth division of the northern district of Texas, pursuant to said combination and conspiracy, have performed many acts in furtherance of the combination and conspiracy hereinabove described.

#### *COUNT II*

20. Each and every allegation contained in the paragraphs in this information numbered 1 through 3 and 5 through 14 is here realleged with the same force and effect as though said paragraphs were here set forth in full.

#### *Attempt to monopolize*

21. Beginning in or about 1954, the exact date being unknown to the attorneys for the United States, and continuing thereafter, the defendants have engaged in an attempt to monopolize the above described trade and commerce in the sale at retail of food and food products in the Dallas and El Paso divisions, in violation of section 2 of the Sherman Act (26 Stat. 209, 15 U. S. C. § 2).

22. Pursuant to the aforesaid attempt to monopolize, the defendants have done, among others, the following:

(A) Attempted to secure for Safeway an arbitrarily determined proportion of the total retail business in food and food products in each of the cities in the Dallas and El Paso divisions, this proportion being approximately half of the total of such retail business in the smaller cities, and at least 25 percent in the larger cities, by (1) fixing arbitrary sales quotas for each Safeway retail store; and (2) requiring that the sales quotas so fixed be attained by Safeway personnel.

(B) Engaged in price wars for extended periods of time in selected cities in the Dallas and El Paso divisions in order to injure and destroy competitors in the retail grocery business and to achieve for Safeway the arbitrary sales quotas fixed for these cities:



(1) by intentionally operating Safeway's retail stores in selected cities in Texas and New Mexico below the cost of doing business;

(2) by intentionally selling at retail numerous items in the grocery sections of Safeway's retail stores in selected cities in the Dallas division below the invoice cost of such items delivered to Safeway's warehouse in Dallas;

(3) by intentionally selling numerous items in the grocery sections of Safeway's retail stores in selected cities in the Dallas division at prices lower than the prices charged for the items by Safeway in other cities in Texas and in other parts of the United States.

#### Effects

23. Each and every allegation contained in paragraph 18 of this information is here realleged with the same force and effect as if said paragraph were here set forth in full.

#### Jurisdiction and venue

24. The offense alleged in this count of this information has been carried out in part within the Fort Worth division of the northern district of Texas and within the jurisdiction of this court. During the period of time covered by this count of this information some of the defendants, within the Fort Worth division of the northern district of Texas, have performed many of the acts referred to in subparagraphs (A) and (B) of paragraph 22 of this information.

#### COUNT III

25. Each and every allegation contained in paragraph 1 of this information is here realleged with the same force and effect as though said paragraph were here set forth in full.

26. Lingan A. Warren is hereby made a defendant in this count of this information. Said defendant, at all times from January 1954 until October 1955, has been president and a director of defendant Safeway. Defendant Lingan A. Warren authorized or ordered to be done some or all of the acts alleged in this count of this information to have been done by Safeway.

27. Each and every allegation contained in the paragraphs in this information numbered 5 through 14 is here realleged with the same force and effect as though said paragraphs were here set forth in full.

#### Offense charged under the Robinson-Patman Act

28. Beginning in January 1954, the exact date being unknown to the attorneys for the United States, and continuing thereafter, the defendant Safeway, acting through its officers, directors and agents, including Defendant Lingan A. Warren, while engaged in interstate commerce and in the course of such commerce, sold goods in the grocery sections of Safeway's retail stores in a part of the United States at prices lower than those exacted by said defendant elsewhere in the United States for the purpose of destroying competition, or eliminating competitors in such part of the United States, in violation of section 3 of the act of Congress of June 19, 1936, commonly known as the Robinson-Patman Act (49 Stat. 1528, 15 U. S. C. sec. 13a).

29. Pursuant to the offense charged in paragraph 28, the defendant Safeway, among other things, used the advantages of its multi-State organization in selected cities in Texas for the purpose of destroying competition or eliminating competitors:

(A) By intentionally selling numerous items in the grocery sections of its retail stores in such cities at prices which were lower than the prices it charged for these items in other cities in Texas and in other parts of the United States;

(B) By intentionally selling numerous items in the grocery sections of its retail

stores in such cities at prices below its invoice cost of such items while charging higher prices for these items in other cities.

#### Effects

30. The effects of the aforesaid offense, among other things, have been:

(A) To drive some independent grocers in Texas out of business;

(B) To force other independent grocers, retail grocery chains and wholesalers in Texas to sustain severe financial losses, or losses in sales volume, or both.

#### Jurisdiction and venue

31. The offense alleged in this count of this information has been carried out in part within the Fort Worth Division of the northern district of Texas and within the jurisdiction of this Court. During the period of time covered by this count of this information the defendant Safeway, within the Fort Worth division of the northern district of Texas, performed many of the acts described in subparagraphs (A) and (B) of paragraph 29 of this information.

HERBERT BROWNELL, Jr.,

Attorney General.

EDWARD A. FOOTE,

First Assistant, Antitrust Division.

HEARD L. FLOORE,

United States Attorney.

MARGARET H. BRASS,

GEORGE H. DAVIS, Jr.,

ESTELLA L. BALDWIN,

WILLIAM F. COSTIGAN,

Attorneys, United States Department of Justice.

Mr. HUMPHREY. Mr. President, I call particular attention to section 4, following the naming of the Safeway defendants, headed "The Coconspirator":

4. Braun & Co., of Los Angeles, Calif., incorporated in 1936, is named as a coconspirator in this count of this information. It is a corporation engaged in public relations counseling and is so employed by Safeway.

Mr. President, this is the company which is also employed by the Republican National Committee to popularize and glamorize Secretary Benson and to help him in his relationships with Congress. It helps him in his publicity campaigns.

I call attention to the charge:

Combination and conspiracy to monopolize \* \* \* interstate trade and commerce in the sale of food and food products at retail in the Dallas and El Paso divisions.

Intentionally selling numerous items \* \* \* below the invoice cost.

That is a violation of the provision of the Robinson-Patman Act against price discrimination, and a violation of the antitrust laws.

The criminal information and suit is brought in the name of Herbert Brownell, Jr., Attorney General, Edward A. Foote, first assistant, Antitrust Division, and it is signed by other officers of the Government.

Mr. President, for an explanation of these charges, I also ask unanimous consent to place in the RECORD, press releases issued by the Department of Justice on July 7, 1955, and November 1, 1955.

There being no objection, the press releases were ordered to be printed in the RECORD, as follows:

JULY 7, 1955.

Attorney General Herbert Brownell, Jr., announced today the return of an antitrust indictment in Federal court at Fort Worth, Tex., charging Safeway Stores, Inc., and two of its officers, with violations of the Sherman and Robinson-Patman Acts.

In addition to Safeway, the indictment names as defendants Lingan A. Warren, of Oakland, Calif., president of Safeway, and Earl Cliff, of Dallas, manager of Safeway's Dallas division.

The indictment is in three counts. The first charges that the defendants engaged in a conspiracy to monopolize the retail grocery business in various cities in Texas and New Mexico. The second count charges that the defendants are attempting to monopolize this business. The third count brought under section 3 of the Robinson-Patman Act names only Safeway and Warren as defendants. It charges that Safeway sold goods in its stores in Texas at prices lower than those it charged in other parts of the United States and below cost for the purpose of destroying competition.

According to the indictment, Safeway established sales quotas for each of its stores in Texas and New Mexico, amounting to from 25 to 50 percent of the total retail grocery business and insisted that the store managers meet these quotas. It is further charged that Safeway engaged in price wars in these areas for the purpose of destroying competition and that for that purpose during the course of these wars it sold groceries below its invoice cost for these commodities. According to the indictment, one of the effects of the defendants' activities has been to drive some independent grocers in Texas out of business.

According to the indictment, Safeway in 1954 sold more than \$155,000,000 of food and food products in Texas and New Mexico and sold substantially more of these products in this area than any of its competitors.

In commenting on the filing of the case, Mr. Brownell stated:

"The type of predatory and illegal conduct charged in this indictment is particularly deplorable because its impact falls largely upon local merchants, who form the core of our American private enterprise system. To permit such large interstate organizations to wipe out local trade in this manner could only result ultimately in monopoly, with all of the evils which hurt the general public. The law does not permit interstate organizations to use the power of their far-flung operations to conduct local price wars in order to destroy competition. It is essential that the buying public in every market continue to have the services of a variety of grocery sellers, and that no one company be permitted to eliminate its competitors and achieve power to fix prices at whatever levels it may desire."

Assistant Attorney General Stanley N. Barnes, head of the Antitrust Division, said:

"This indictment attacks the use of localized predatory price slashing and below cost selling to destroy competition and achieve an arbitrary share of the available grocery business. If these alleged conditions continue they will make it impossible for both large and small grocers who are now serving the public to remain in business. These alleged practices must be eliminated if normal competitive forces are to provide the benefit of a free competitive economy to the buying public."

NOVEMBER 1, 1955.

Attorney General Herbert Brownell, Jr., announced the filing today of a civil antitrust suit charging Safeway Stores, Inc., with violating the Sherman Act by attempting to



monopolize the retail grocery business in various cities in Texas and New Mexico.

At the same time, he said, the Government filed a criminal information against Safeway, Lingan A. Warren, San Francisco former Safeway president, and Earl Cliff, manager of Safeway's Dallas, Tex., division. The criminal information charges violations of the Sherman and Robinson-Patman Acts and is substantially the same as the indictment returned against the defendants July 7, 1955, which the Department of Justice decided to dismiss.

The indictment was dismissed and the criminal information substituted with the consent of the court in order to avoid the delay and expense of testing the soundness of certain technical legal questions raised by Safeway in attacking the validity of the grand jury which returned the indictment. The Attorney General said that the action should not be construed to mean that the indictment was invalid or that the attacks on the grand jury have substance. He said:

"The Government elected to dismiss the indictment with the consent of the court and to substitute a criminal information in order to save the time which otherwise would be required to test the validity of the grand jury which returned the indictment, or to present the evidence to a new grand jury."

The civil complaint and the criminal information charge that Safeway has attempted to monopolize the retail grocery business in various cities of Texas and New Mexico. It is charged that Safeway established arbitrary sales quotas for each of its stores in Texas and New Mexico, amounting to 25 to 50 percent of the total retail grocery business of the areas and insisted that these quotas be attained.

The complaint and information further charge that Safeway engaged in price wars in these areas for the purpose of destroying competition, and, to accomplish this purpose, sold groceries below the invoice cost to Safeway; and sold in some areas at lower prices than in others to eliminate competition.

One of the effects of these activities, it is charged, has been to drive independent grocers in Texas out of business.

The civil complaint asked the Court that continuation of these alleged illegal practices be prevented by prohibiting Safeway from selling below invoice cost, or operating any of its districts below the cost of doing business for the purpose of destroying competition, or from selling identical items at different prices within the same area of its operations.

Assistant Attorney General Stanley N. Barnes, head of the Antitrust Division, said: "The injunctive relief which we seek in the civil case is essential in order to prevent the continuation and repetition of the predatory business behavior alleged against Safeway in the complaint and in the information. The civil case is designed to enable grocers, both large and small, to continue to compete and to serve the public."

Mr. HUMPHREY. I repeat, Mr. President, that I am not passing judgment on these allegations. They are made by responsible officers of our Government. They are the charges of this administration, of which Secretary Benson is a part.

I intend no reflection whatever on either Safeway or the Braun agency, in suggesting it might have been more proper for a fellow Cabinet officer to reject services of the agency involved until the charges brought by another Cabinet officer had been cleared up one way or another.

The courts are the proper place to determine the merits of the charges that have been filed. All I know is that the criminal information alleges, among

other things, "combination and conspiracy to monopolize interstate trade and commerce in the sale of food and food products at retail in the Dallas and El Paso divisions" of Safeway's trade area by engaging in "price wars in order to injure and destroy competitors in the retail grocery business" by "intentionally selling numerous items below the invoice cost" and by other practices.

Assistant Attorney General Stanley N. Barnes—who, incidentally, is doing a good job in the Antitrust Division, from my point of view—is quoted in the July 7 release as stating that "the type of predatory and illegal conduct charged in this indictment is particularly deplorable because its impact falls largely upon local merchants, who form the core of our American private-enterprise system."

That is the firm which the Government is employing and the Republican committee is employing, in trying to popularize the Secretary of Agriculture. It is a shocking thing. The firm is handling his relations with Congress. I do not know how busy the new Special Lobbying Committee will be, but this is something that needs to be looked into.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to complete this paragraph first.

It seems to me to be an act of highly questionable propriety for the Republican National Committee to retain for purposes of publicizing and popularizing one Cabinet officer a firm which is facing such serious charges from another Cabinet officer.

It seems to be of highly questionable propriety for Secretary Benson to accept the services of such a firm for his personal exploitation, no matter how effective they may be, under these circumstances; if he knows about them.

If he did not, it is time he did know. It is time our Cabinet officers got acquainted, and knew what each other was doing. We have had too many examples of going off in opposite directions in this administration.

I regret to say it, but Secretary Benson does seem to have quite an affinity for Safeway and Braun personnel.

Two of his former executive assistants came from the Safeway organization, and one of his special consultants was a San Francisco manager for the Braun Agency.

Mr. President, I ask unanimous consent to have placed in the RECORD at this point, a copy of a press release issued by the Department of Agriculture, dated January 1953, announcing the appointment of D. K. Broadhead as executive assistant to the Secretary of Agriculture and pointing out his years as a Safeway executive.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

JANUARY 1953.

Mr. Broadhead, whose home is in San Marino, Calif., has been identified for a quarter of a century with agriculture in California and the Nation, particularly in the marketing of dairy and poultry products. In recent years he has also been engaged in manufacturing. This experience has given

him wide acquaintance among farm and industrial leaders throughout the Nation.

In his early years, Mr. Broadhead was active in farm youth projects, having been born April 17, 1905, on a diversified farm at Nephi, Utah. In 1923 he was awarded an agricultural scholarship to Utah State Agricultural College and he was graduated from that institution in 1928, after specializing in agricultural economics and marketing.

Following graduation Mr. Broadhead was field representative for the California Fruit Exchange, after which he was engaged for 2 years in both the credit and sales fields of business and agriculture. He later was company manager for the Morning Milk Co., of Stockton, Calif., and then for 9 years was employed by Safeway Stores in Oakland, Calif., in the dairy and egg division. He eventually became company manager for Safeway's egg operations in the United States and Canada. He has been particularly concerned with the procurement, processing, and distribution of dairy and egg products. He was a member of the Poultry and Egg War Food Advisory Board.

During the last few years Mr. Broadhead has been engaged in manufacturing radio transcriptions and electronics, with factories in New York and Los Angeles. However, he has continued to do consulting work in the dairy and egg business. Until taking his present post, he was president of the Allied Record Manufacturing Co. and related organizations, a director of several other concerns, and had other commercial and agricultural affiliations.

Mr. Broadhead has taken active leadership in business and service organizations in southern California, and has been active in civic and youth work, including that with Boy Scouts and the YMCA. He was married to Olene Smith in 1934 and they have four sons. Mr. Broadhead is a Republican.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of another press release issued by the Department of Agriculture on August 15, 1953, announcing the appointment of Lorenzo N. Hoopes to succeed Mr. Broadhead as executive assistant, and revealing he had been an executive of a Safeway store since 1949.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SECRETARY BENSON NAMES LORENZO N. HOOPES AS EXECUTIVE ASSISTANT

UNITED STATES DEPARTMENT  
OF AGRICULTURE,  
Washington, August 15, 1953.

Secretary of Agriculture Ezra Taft Benson today announced the appointment of Lorenzo N. Hoopes, Denver, Colo., as his executive assistant. Mr. Hoopes has been eastern district manager of the Lucerne Milk Co., and has been connected with agricultural marketing organizations for the last 20 years.

Mr. Hoopes succeeds Daken K. Broadhead, of San Marino, Calif., whose resignation was made necessary by the death of a business associate. Secretary Benson stated that he had accepted Mr. Broadhead's resignation reluctantly, and that he had asked him to continue his affiliation with the Department as a consultant in the general field of marketing and distribution.

Mr. Hoopes spent his early years on a small poultry and dairy farm. He has been with the Lucerne Milk Co., a division of Safeway Stores, since 1949. His experience in the last 10 years has been primarily in the procurement, processing, and distributing of eggs and dairy products, and all of his professional career has been concerned with agricultural commodities.



Mr. Hoopes' experience includes work with farmers' marketing cooperatives handling poultry and poultry products in the Western and Midwestern States; with the Calavo Growers of California, a farmers' marketing association; and with the Brentwood Egg Co. at Twin Falls, Idaho, and at Maywood, Calif.

The new executive assistant was born in Brigham City, Utah, November 5, 1913. He was educated in the Brigham City elementary and high schools and was graduated from Weber College at Ogden, Utah, in 1933. He did graduate work at the University of Utah in 1933-34, and in the advanced management program at the graduate school of business administration of Harvard University in 1952.

He is married and has two children. His home is Denver, Colo.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have placed in the RECORD at this point a copy of a third press release issued by the Department of Agriculture on November 1, 1954, revealing that Mr. Hoopes was leaving to return to an executive position with Safeway Stores, Inc.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SECRETARY BENSON NAMES MILAN D. SMITH TO SUCCEED L. N. HOOPES

UNITED STATES DEPARTMENT  
OF AGRICULTURE,  
Washington, November 1, 1954.

Secretary of Agriculture Ezra Taft Benson today announced the appointment of Milan D. Smith, Pendleton, Oreg., as his executive assistant. Mr. Smith, whose appointment is effective December 1, 1954, has been associated with farming and food processing and marketing activities for nearly 15 years.

Mr. Smith succeeds Lorenzo N. Hoopes who has resigned to return to an executive position with Safeway Stores, Inc., Oakland, Calif.

Secretary Benson, commenting on the staff change, said, "While Mr. Hoopes came to the Department only on a loan basis from his business association, it is with great reluctance that I have accepted his resignation. He has performed a difficult top level staff job in the Department with effectiveness and efficiency that has been a distinct service to agriculture. I appreciate fully the compelling reasons that require his return to his former association.

"In Mr. Smith we will have a man whose agricultural and management experience qualify him highly for the complex administrative position to which he is coming."

Virtually all the new executive assistant's working experience has been in the field of agriculture, both in farming and in management positions in his family's food processing business. He and a brother own and operate a 640-acre irrigated farm near Burley in southern Idaho. Principal crops produced have been wheat, sugar beets, potatoes, alfalfa, and dried beans. He also has been active in the management of farm land leased in northern Idaho and Oregon for the raising of green and seed peas.

Since 1941, Mr. Smith has been general manager of the Smith Canning & Freezing Co. of Oregon, at Pendleton, and of Smith Frozen Foods (of Oregon and Idaho).

Mr. HUMPHREY. Mr. President, they come and go. Safeway is a fine company, but it happens to be under a criminal information suit by the Department of Justice. Apparently, during this period of time its employees find jobs in the Department of Agriculture.

Mr. President, to complete the record, I ask unanimous consent to have placed

in the RECORD at this point a copy of a fourth press release issued by the Department of Agriculture, Office of the Secretary, on October 15, 1953, announcing the appointment of Harold O. Belknap, of San Francisco, as a temporary consultant, and explaining he had been manager of the San Francisco office of Braun & Co., the same company which is now involved in the proceedings before the Department of Justice as a coconspirator in the Safeway case, and the same company the Republican National Committee is using.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

HAROLD O. BELKNAP NAMED TEMPORARY  
CONSULTANT TO USDA

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
Washington, October 15, 1953.

The appointment of Harold O. Belknap, of San Francisco, Calif., as a temporary consultant to the United States Department of Agriculture was announced today by Secretary Ezra Taft Benson.

Mr. Belknap is on leave from Braun & Co.—management and public relations consultants—and has been manager of the San Francisco office of that firm.

Mr. HUMPHREY. Mr. President, I must admit I am curious as to how a firm accused of illegal actions on behalf of a grocery chain can be expected to have the best interests of farmers at heart.

I want the record to be clear that what the Braun Co. did was to try to help Mr. Benson with his public relations. Most recently, the Republican senatorial and congressional campaign committee has purchased the services of a firm in Chicago. I should like to pose that as a question for discussion here.

Perhaps Secretary Benson will take a tip: If he will just start properly taking care of our farmers and working with them instead of against them, he will not need any professional public relations experts try to glamorize him just before election time.

In my opinion, things have come to a mighty low state of affairs when a Secretary of Agriculture, supposedly representing and fighting for farm people and representing the administration, has to have private public relations experts engaged to sell him to farmers—whether those public relations experts face criminal charges or not.

I am sorry I felt it necessary to interrupt my planned outline of my farm policy presentation to this body to make these remarks today. I wish such incidents did not keep popping up. But they do keep popping up. Every time I am ready to settle down to the discussion of some big project here I find tanks going to Saudi Arabia; I find Mr. Dulles on the brink; I find an advertising agency trying to build up better public relations for the Secretary of Agriculture; I find Harper's magazine, in which appear notes written by the Secretary on articles which he has never read.

Mr. President, I do not think such tactics as I have been describing here are proper. I do not particularly like to belabor Mr. Benson or anyone else. However, I felt it important for this body to know some of the background I am

referring to, when I talk about the high pressure public relations and propaganda drive being conducted to influence this body, and influence farm people, about legislative proposals before Congress.

I do not think following such tactics is the right way to make a democracy effective. Furthermore, I have too much confidence in the good judgment of our people to think they are going to work as well as the Republicans hope they will.

Mr. President, I ask unanimous consent to place in the RECORD at this point an editorial from the January 14 issue of the Madison, Wis., Capital Times, entitled "Government by Huckster Will Not Solve the Problem of the Growing Farm Depression."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

When the history of the Eisenhower administration is written, Madison Avenue in New York City, the home of the high-pressure public-relations people, will be as prominent as Wall Street, the home of the big financiers. The huckster has been as prominent in the administration as the fat cats of finance.

No administration in recent history has depended more on slogans and stunts as a substitute for action. While our position in the international scene deteriorated, the administration struggled frantically to cover up with such slogans as massive retaliation, agonized reappraisal, unleash Chiang Kai-shek, the spirit of Geneva, and the others now so dismally familiar.

Now we see the administration trying to cure the economic illness of agriculture with more slogans. The President's farm program presented to Congress the other day is patently the work of the hucksters. It pretends to do something for the farmer, but it is obvious that there is nothing in it to alleviate the farmers' troubles.

Instead of taking action, the administration has turned again to the hucksters. Their job will be to sell Secretary Benson to the farmers. This time it is a public-relations firm in Los Angeles, Braun & Co. This high-priced publicity firm has been hired by the GOP National Committee to turn an unpopular farm policy into an asset before the 1956 elections, according to the New York Times.

Braun & Co. will have the job of selling the farmers on the notion that they have nothing to complain about. One of the main clients of the company is the Safeway Stores chain on which Secretary Benson has leaned so heavily in recruiting top officials in the Department of Agriculture.

Among the Safeway officials hired by Benson have been Harold Belknap, B. K. Brodhead, and Lorenzo Hoopes, all of whom have had top advisory positions in formulating the policies which have brought record-making profits to the middlemen and depression to the farmers.

One wonders how long the administration thinks it will get away with government by huckster. Slogans will not raise farm prices and restore the fallen income, any more than they strengthened our position in the world.

The miracle men of Madison Avenue possess fantastic magic in many ways. But they cannot make prosperity out of depression, nor peace out of war.

Mr. HUMPHREY. Mr. President, a bit more belatedly than I had intended, I wish now to return to my originally planned discussion of farm policy and the farm bill which is before the Senate.



Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield.

Mr. SPARKMAN. Does the Senator recall the reports issued at the time this public relations firm was employed?

Mr. HUMPHREY. Yes. I have a memory of them, and I have brought some of the information to the attention of the Senate. Possibly the Senator from Alabama has further information on the subject.

Mr. SPARKMAN. No. I merely want to ask the Senator if he does not think it seems a little strange that the Secretary of Agriculture has to have an advertising firm to build up better relations between him and the people he is supposed to represent.

Mr. HUMPHREY. Mr. Benson as an individual is a very fine and honest man. I have talked to him, I know him, and I have great respect for his faith, his convictions, and his personal demeanor. I think it is most unfortunate that the Secretary has to carry out the Eisenhower program. For a time I thought it was all Mr. Benson's idea, but I do not think it is. I think we have been unfair to the Secretary. He is carrying out orders from some place in the White House. I am not sure where they originate. I would assume he is carrying out President Eisenhower's orders. Possibly they are orders from Sherman Adams. But someone is giving orders.

I have stated on the floor at times that I thought the Secretary of Agriculture ought to be dismissed, but I think that was an unkind remark. I do not believe it would make a bit of difference if he were dismissed. He is carrying out the policy of the administration from right up at the top.

Mr. SPARKMAN. Does it not seem passing strange that the Secretary of Agriculture and the Republican administration have to be sold to the Republican Members of Congress?

Mr. HUMPHREY. Indeed, it does.

Mr. SPARKMAN. The Senator has noticed, I presume, that a part of the plan was to have meetings at which the Members of Congress could become acquainted with the Secretary of Agriculture.

Mr. HUMPHREY. Yes. I have not been invited to any of the meetings.

Mr. SPARKMAN. There was to be an open-door policy, so that Members could talk to the Secretary.

Mr. HUMPHREY. That is correct.

Mr. SPARKMAN. Does it not seem a little strange that a public relations firm has to be employed to establish that kind of relationship?

Mr. HUMPHREY. It is not only strange, but it does not fit within the context of orderly government. In running for office a man may place a lot of advertisements in the newspapers in an effort to get votes. We all overdo it. But that is another thing. What we are now discussing is a matter of running the Government. There is a difference between running the Government, and running for office and hoping we will have a chance to run the Government.

Mr. SPARKMAN. The Senator has said it probably would not matter if there

should be a change in the office of Secretary of Agriculture, because the orders from above would be carried out anyway. The Senator has mentioned Judge Barnes, an antitrust officer in the Department of Justice, and he has said that in his opinion Judge Barnes has been doing a very good job. I believe his administration of the office has convinced those who have come into contact with him and his work that he has been sincere in performing his duties, but I wonder if the Senator has noticed that in the Wall Street Journal it is stated that Mr. Barnes has been appointed to be a judge. Can it be that he is being kicked upstairs in order to make way for the friends of this administration?

Mr. HUMPHREY. Possibly he has been doing too good a job. I should like to leave in the RECORD what I have said about Judge Barnes, because I believe he has done a good job.

Mr. President, I understand that the Senator from South Carolina [Mr. JOHNSTON] would like to have me yield to him.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina and that his remarks may be printed in the RECORD at the end of my speech.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. JOHNSTON of South Carolina addressed the Senate on the Constitution and Integration. His remarks appear in the RECORD at the conclusion of Mr. HUMPHREY's speech.)

(Mr. HUMPHREY also yielded to Mr. SPARKMAN and Mr. CAPEHART, each of whom addressed the Senate on questions foreign to the agricultural bill. Their remarks appear in the RECORD at the conclusion of Mr. HUMPHREY's speech.)

Mr. HUMPHREY. Mr. President, yesterday I was discussing how agriculture got into its present fix. I started my discussion with an analysis of the farm situation.

A day or two ago a news article was called to my attention. It is an unusual article, and I should like to call it to the attention of the Senate.

Mr. President, apparently troubles about agricultural policy are not new in the Benson family.

I have an interesting clipping from the New York Times of February 5, quoting an article that appeared in the August 9, 1864, issue of the Salt Lake Telegraph.

Yes; the date I mentioned was 1864—nearly 100 years ago.

Another Ezra Taft Benson, great-grandfather of the Secretary, was quoted in regard to a fight he was leading for the farmers.

But something has happened in the intervening 92 years.

The old-time Ezra was on the farmer's side.

The old-time Ezra had decided 92 years ago that farmers should not be left to the mercy of the free market. He wanted farmers to get together and insist on fair prices.

He was not as worried as the present Ezra is about "price fixing." He said that "the threatening times spoke loud

enough to the farmers to regulate their own prices."

The present Ezra Benson says the free market should regulate prices, and we should not do anything to interfere with that market.

Apparently, he has not caught up with what his own great-grandfather learned nearly 100 years ago.

Let me quote from that August 9, 1864, article in the Salt Lake Telegraph:

Mr. Benson alluded to the claim that the market would regulate prices. They had tried the experiment for 15 years unsuccessfully; and the threatening times spoke loud enough to the farmers to regulate their own prices. \* \* \* He wishes the farmer and producer to say what he wanted for his grain, and if the farmers prospered the whole country would prosper.

Why, that sounds like the letters I am receiving from my Minnesota farmers today. But it certainly does not sound like the modern Ezra Taft Benson.

The New York Times dispatch from Salt Lake City quotes Dr. L. H. Kirkpatrick, librarian at the University of Utah, as saying Mr. Benson's great-grandfather was discussing difficulties arising from overproduction of grain by Mormon pioneers in the Utah territory.

That great-granddad was a smart man. When he saw farm troubles, he tried to do something about them. He wanted prices raised. He did not just complain about the surplus. He called on farmers to insist that they have something to say about prices, instead of leaving it all to the free market.

That is all farmers are trying to do today, asking the opportunity to work through their Government as a means of cooperating in lifting farm prices. Only the modern Ezra Benson objects.

Mr. President, I suggest the Secretary of Agriculture do some digging into his family records. Perhaps he will find some more writings of his great-grandfather that will be helpful.

Mr. President, I ask unanimous consent to have printed in the RECORD the full article from the New York Times to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FARM PROBLEMS RUN IN THE BENSON FAMILY

SALT LAKE CITY, February 4.—Dr. L. H. Kirkpatrick, librarian at the University of Utah, turned up evidence this week that farm problems currently plaguing Ezra Taft Benson, Secretary of Agriculture, are not new to the Cabinet official's family.

An August 9, 1864, the Salt Lake Telegraph reported a speech by Ezra Taft Benson, great-grandfather of the Secretary, in this manner:

"Mr. Benson alluded to the claim that the market would regulate prices. They had tried the experiment for 15 years unsuccessfully; and the threatening times spoke loud enough to the farmers to regulate their own prices. \* \* \* He wishes the farmer and producer to say what he wanted for his grain, and if the farmers prospered the whole country would prosper."

Dr. Kirkpatrick said that Mr. Benson's great-grandfather was discussing difficulties arising from overproduction of grain by Mormon pioneers in the Utah Territory.

Mr. HUMPHREY. Mr. President, it is reassuring to me that once in the Ezra Taft Benson family there was a man who said to the farm people: "Farmers, we



must do something about prices. We must organize and set the prices, so that they will give us a profit and a chance to make a living."

I am pleased to note that the record of the Ezra Taft Benson family shows that it did not always complain about surpluses. Members of that family at one time were primarily concerned with what the market would offer in terms of labor well done and with production with which it had been blessed.

I said I wanted to discuss the subject of how agriculture got into its present fix, or, rather, how some people fixed agriculture so as to get it into its present difficulties. I indicated yesterday that the farmers of the United States had made wonderful responses to requests of our Government in World War II and in the Korean war period to meet production goals.

I pointed out that as a result of meeting those production goals surpluses had accumulated after the end of the war.

Did we berate munitions makers for producing shells that were not needed? Or were we thankful they were not needed, and did we provide public funds to help the manufacturer convert to other items without any financial loss? Did we berate munition and plane manufacturers for producing shells and planes that were not needed, or were we thankful that they were not needed? Did we tell them it was their tough luck that Uncle Sam was going out of the munitions-buying business, or did we use public funds to settle their contracts and provide help for them to convert to other items without any financial loss?

I should like to point out that if the farmers had been as tough in bargaining with Uncle Sam as some industries were before they planted one more row of corn or one more acre of wheat, the farmers would have said, "Uncle Sam, put your name on the dotted line, and we will plant it. We will plant it after you agree that you will buy it at a fair price and guarantee that you will continue to pay us a fair price."

That is what we had to do with the munitions makers. We said to them, "You produce the munitions, and we will pay you. If we have to cut the contract at the end of the war, we will pay you a special payment so that you will not go out of business."

We met our farm goals in 1952. Agriculture did its full part in preparing for whatever might come, and we could have been mighty thankful, as a nation, that we had such abundance available.

Yet, even with farmers gearing their production to the full security needs of America, we did not build up any so-called unmanageable surpluses.

I should like to remind my colleagues that every time the propagandists talk about surplus they always insert the word "unmanageable" before the word "surplus." There is nothing unmanageable about the surpluses if we know how to manage them. In fact, they are very manageable. I suggest, instead of constantly condemning the great abundance, that we look upon the surpluses as a part of the blessings of our time, and try to find a better use for them.

I have had called to my attention today a news article, which indicates to me what I believe to be a part of the challenge, and even of the opportunity, we have in dealing with the surpluses. A great tragedy has occurred in Europe because of the hard winter over there. The news article is headed: "United States Food To Be Boon in Southern Europe—Floods Feared Now." The article goes on to name the countries that are suffering. They are Italy, Spain, Greece, France, the Netherlands, Yugoslavia, and Turkey. Those are our allies—every one of them. The article states:

In some countries in southern Europe, the need is great and the United States supplies will be a boon.

Sunshine brought Europe's first real promise of a break in the 26-day disastrous cold wave with hopes of a thaw, however came fears of floods.

During the last month many parts of Europe have been hit by the coldest and stormiest winter weather of the century. Crops have been damaged, roads and railways disrupted, and river valleys flooded.

As we know, the President is making available out of our storehouse food and fiber supplies to alleviate much of this suffering.

The Senator from Indiana [Mr. CAPEHART] is interested in this matter. I heard a broadcast from Paris to the Columbia Broadcasting System in which a commentator was noting for the American audience the appreciation of the French Government for the Senator's concern over this situation.

A cold winter or a disastrous drought, or any other act of nature, could wreak the same havoc upon American agriculture and could cause us the same sort of trouble.

It is said that in France there is a \$400 million loss in agriculture because of the terrible winter which brought the worst storms in a hundred years.

Mr. President, I am literally shocked when I find that our Government has never had a policy with reference to the necessary amount of food and fiber reserves we should have for international emergencies and domestic emergencies. Presently there are some set-asides for the purpose of selling them.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield.

Mr. CAPEHART. I have a bill, which I shall offer as an amendment to the bill we are now discussing, providing for the establishment of a national organization to distribute certain foods both in the United States and in foreign countries.

Mr. HUMPHREY. I wish to commend the Senator, and I hope he will be able to get the administration to support it.

Mr. CAPEHART. I shall offer it as an amendment to the pending bill.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I wish to commend the Senator from Minnesota for emphasizing this point. I had something to say about it when I was the Director General of UNRRA, at which time there was a tremendous need for foodstuffs all

over the world. We had been told that there were ample supplies, but no one knew just what they were. For 2 years we had to fight for every bushel of wheat or corn that was necessary for the relief of the people, and in the final analysis we were never able to ship abroad what was needed and what the American people wanted to have shipped abroad, because there was no survey made of the needs that existed or would exist, and our supplies fell to a point where they were completely inadequate.

Mr. HUMPHREY. I wish to say to the Senator from New York that his record as Director General of UNRRA is one of the greatest and most glorious chapters in his career. The food and fiber surplus prior to World War II, during World War II, and after World War II, was one of the great resources of our strength. During the war years those reserves provided the American people and our Allies food at home and in the armed services. All this talk about the "unmanageable surpluses," Mr. President, is nothing more than talk. It is the obligation of Government to have at least on paper some suggestion as to what the needs of America would be in case of disaster.

Mr. President, we have charted what our needs are for critical minerals and critical materials. We have stockpiles of them sufficient for a year's industrial output, but we have not done the same with respect to our surpluses of food and fiber.

Mr. President, I ask unanimous consent to have the entire article which was published in the Minneapolis Morning Tribune of February 27, printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### UNITED STATES FOOD TO BE BOON IN SOUTHERN EUROPE—FLOODS FEARED NOW

NEW YORK.—Most European countries will not need winter relief food offered by President Eisenhower. In some countries in southern Europe, the need is great and United States supplies will be a boon.

Sunshine brought Europe's first real promise of a break in the 26-day disastrous cold wave. With hopes of a thaw, however, came fears of floods.

NATO headquarters in Paris readied planes, troops, and relief supplies for any new disaster area. The big danger was that melting snows might overload rivers already piled high with pack ice.

This is the situation found in on-the-spot surveys by correspondents of the New York Times.

During the last month many parts of Europe have been hit by the coldest and stormiest winter weather of the century. Crops have been damaged, roads and railways disrupted, and river valleys flooded.

These conditions moved President Eisenhower to make United States food surpluses available. Aid has been offered to 19 countries, including 4 behind the Iron Curtain.

Spain and Italy have suffered the widest damage and are most in need. Destruction in Greece, Turkey, and France also has been extensive, but the requirements of these three countries are less pressing.

In northern Europe the cold wave was abnormally severe, but outside assistance there is not needed. Central European states behind the Iron Curtain have not suffered severely, and so far there is no indication



their governments will accept the United States offer. American ambassadors have been asked to make official reports to Washington from the 19 countries to which help was offered. Following is a summary of conditions, country by country:

#### ITALY

Storms and bitter cold extensively damaged the fruit and vegetable crops. Wheat probably will be hard hit also, and this year's deficit will be larger than usual. Conditions have caused widespread suffering, and Italian officials will be grateful for United States help in any form.

#### SPAIN

Officials estimate damage up to \$100 million with half of this total representing losses in foreign exchange the country will suffer as a result of diminished exports.

Citrus crops were heavily hit before fruits could be picked. Fifty thousand persons usually employed in the citrus groves of the southeast Mediterranean seaboard at this time are out of work. Thousands are reported to be without daily necessities. Olive groves also have been badly damaged in the southeast. Crop damage in the north is also believed to be considerable.

#### GREECE

A Government survey reports damage by frost and floods to crops, trees, livestock, and installations such as bridges, dams, and culverts is estimated at millions of dollars.

Seed for planting cereals and potatoes is a special need. Emergency food is needed in some districts.

#### FRANCE

Of approximately 11 million acres sown in wheat, about 5 million have been damaged by the freeze. In Brittany, 90 percent of truck gardens have been frozen; in Provence the crop damage is estimated at \$7 million and in Languedoc damage to vineyards is estimated in tens of millions of dollars.

A ministry of agriculture spokesman gave unofficial estimates of damage as being between \$430 million and \$425 million. One of the greatest needs is expected to be seed to sow new crops.

#### THE NETHERLANDS

There has been some crop damage, and more may come later when thaws bring floods. Officials, however, say there is no need for United States aid now. President Eisenhower's statement is gratefully described as another example of United States generosity and assistance.

#### YUGOSLAVIA

A quick thaw could result in extensive damage, but at present there is no emergency.

#### TURKEY

Foreign Minister Fuad Koprulu said Turkey needs aid and expressed gratitude for the Eisenhower offer.

Damage has been caused by floods in Thrace and along the Ceyhan River in southern Turkey.

Mr. HUMPHREY. Mr. President, in Italy there is widespread suffering, with many thousands of acres of wheat seed destroyed. In France, of approximately 11 million acres sown in wheat, about 5 million acres have been damaged by the freeze.

A similar condition prevails in Turkey. The article says that Turkey needs aid and has expressed gratitude for the Eisenhower offer. The Netherlands, Spain, and other nations have been greatly injured by the cold winter.

Mr. President, our food and fiber have done more good around the world than has any other single product of the American economy, and I cannot, for the life

of me, understand why we have to have from high places such constant groaning about the abundance of our food and fiber. Of course there can be more than is needed, but, as has been pointed out by the Senator from Indiana and other Senators—and I have offered several proposals in connection with the surpluses—whenever there is an emergency need we should dispose of the surpluses sensibly.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. It is a fact, is it not, that the surpluses can be disposed of very quickly when need arises, and unless we have adequate surpluses, it is just too bad?

Mr. HUMPHREY. The Senator is absolutely correct.

I am going to show, Mr. President, that with all this talk about our so-called surpluses, actually, when we relate the amount of commodities we have to the human populations and animals which consume the commodities, figures in terms of poundage, bushels, and bales do not mean half of what they seem to mean on the surface.

We are always comparing what we had 20 years ago with what we have now. But at that time our population was much smaller and we consumed much less. Today our inventories must be larger because of the greater demand.

If surpluses are responsible for collapsed farm prices, and the administration blames the trouble on the surpluses inherited from the Democratic administration, how does it account for the fact that farm prices averaged 100 percent of parity in 1952?

Actually, Mr. President, the total corn reserve in October 1952 was only 486 million bushels—about a month and a half's supply—to protect us from a meat shortage in the event of a short crop to follow. A total reserve of that amount, a month and a half's supply of corn, is no surplus; that is a shortage of corn.

The carryover of wheat in July 1952 was only 255 million bushels, a fourth of what it is today, and a reserve enough for only about 3 months in an emergency.

A 3-months' supply of wheat is an absolute minimum inventory at any time. A month and a half's supply of corn is what we had at the end of 1952. Yet the administration talks about inheriting a mess. I say, "baloney." The administration did not inherit any mess; it inherited a farm price structure which was sound—well over 90 percent of parity.

Mr. President, I want the people of the United States to know what a reasonable supply of corn is. It would be poor planning not to have three months' supply of corn on hand. Why is not the Secretary of Agriculture telling the people in the cities the truth? Why does he not say what we would do if we did not have a surplus of corn for an emergency?

In the Committee on Agriculture and Forestry, I proposed that we set aside 350 million bushels of corn as a national security reserve. Mr. President, what do you think the officials of the Agricul-

tural Department said? They said, "We do not have that much corn to set aside. It would tighten the corn market too much."

Yes, Mr. President, Mr. Benson and his associates go about the country and talk about the surplus of corn, but behind closed doors at executive sessions in the Senate of the United States they say, "We do not have enough. We cannot afford to set aside 350 million bushels."

The best we could get in this bill was a discretionary authority for the Secretary to set aside up to 250 million bushels, yet the same Department cut back the corn allotment to 43 million acres this year, just before we were ready to consider this bill.

There is a special little corn amendment which the administration plans to offer.

The scheme is to divide and conquer; pit the farmer against the worker; pit the farmer against the city man; pit the city man against the country man; then pit the corn man against the wheat man. It is the confounded business of trying to divide and divide, to slice and slice; in order to do what? To win an argument over parity price supports.

The Secretary of Agriculture is determined to prove, even if he wrecks the farm economy, that a program of flexible price supports, as he sees it, is the last word in sound agricultural economics. Before we get around to deciding that issue, there will be quite a scrap around here.

Cutting back to 43 million acres of corn cannot be justified. Either there is too much corn, or there is not enough. We cannot have it both ways. Yet publicly it is said we have too much corn; but in the committee, we are told we do not have enough to set aside 350 million bushels.

Let me go back for a moment. What is one of the myths which has been perpetrated upon the American people by this administration? Mr. Benson keeps talking about it. He spoke about it the other night on television. He referred to the mess which he had inherited from the Democrats. Well, when the Democrats control the administration of the Government again, I hope we inherit an equally good "mess"—a "mess" in which the farm price parity ratio was well over 90 percent; a "mess" in which the farmers were actually making money; in which the farm mortgage indebtedness was the lowest it had been in 35 years. That was the "mess." I will put that word in quotation marks, because it is hard to gather from the RECORD the voice inflections. We must be careful about the words we use.

There was no real mess.

What the present administration did inherit was a sound agricultural base, a sound agricultural economy. The farmer was getting more than 45 cents out of every dollar which was spent for food by the American consumer. Today the farmer is getting 39 cents out of the so-called consumer's food dollar.

In November 1952, when the election was over, the farmer was receiving 100 percent of parity. The farmer at that time was paying off his debts.



But what about surpluses? Surpluses have been accumulating since the administration's surplus disposal program came into being. This administration does not know how to get rid of surpluses; it cannot even give them away.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Inasmuch as some figures which I saw indicated that the farmer's income had dropped 23 percent in the past 3 years—

Mr. HUMPHREY. If I may help the Senator, the figure is 29 percent.

Mr. SYMINGTON. I am delighted to have the Senator's correction, because I know the Senator from Minnesota always has more advanced information and has more recent farm figures than I have, or than probably any other Senators have.

At the same time, corporate profits rose 14 percent before taxes, and 32 percent after taxes; and also the stock market has gone up some 62 percent in the same period.

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. Under those circumstances, why is it, that the Secretary of Agriculture seems to be so annoyed about the efforts of the farmer to better himself this year, instead of waiting for a long-term plan to take effect, a plan which will mean nothing to him—certainly not this year, and possibly not for a long time to come?

Mr. HUMPHREY. If I could answer the Senator's question, I suppose I would be the hero of the day. All I can think of for the moment is that the Secretary believes he has a program for the farmers; and even if every farmer in the Nation disagrees with him, the Secretary will insist on his program, no matter how much money the Republican National Committee has to spend to propagandize people who know nothing about agriculture.

In the city of Duluth, in 1 day, over 1 radio station, 1 advertising agency spent more than \$18,000 for 32 spot advertising announcements, telling the people of the Duluth area to write and tell their Senators to vote for the Eisenhower farm program.

Mr. SYMINGTON. As usual, I am learning from listening to the distinguished Senator from Minnesota. May I ask him who pays for such broadcasts?

Mr. HUMPHREY. I suppose they are paid for with money which was collected at the \$100-a-plate dinners.

Mr. SYMINGTON. Are the broadcasts in connection with the Eisenhower 9-point farm program?

Mr. HUMPHREY. They are in connection with the 9-point program.

Mr. SYMINGTON. Has the 9-point program any relationship to the bill which is now before the Senate?

Mr. HUMPHREY. If it has, it is purely coincidental and accidental.

Mr. SYMINGTON. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I wonder whether the Senator is aware of a survey which was

made by responsible sources, showing that in my State of New York, where dairying, of course, is the main agricultural industry, the dairy farmers received in payment for their labor 62½ cents an hour.

Mr. HUMPHREY. Sixty-two cents an hour?

Mr. LEHMAN. Sixty-two and a half cents an hour is all they received in payment for their labor. That is, of course, below the minimum wage of \$1 which only today went into effect. I was very glad indeed that Congress passed a \$1 minimum wage law, because, like the Senator from Minnesota, I was one of the sponsors of the bill. The new law guarantees a minimum wage of \$1 an hour to persons engaged in interstate commerce.

Mr. HUMPHREY. That is correct.

The Senator's figures with respect to dairy farming in New York are about the same as the figures are for Minnesota. They may be 1, 2, or 3 cents more. But the figure is about the same in most of the dairying States, especially Wisconsin, Ohio, Minnesota, and New York.

No farmer has a more expensive investment than a dairy farmer has. A modern dairy farm is one of the top investments in agriculture.

Mr. LEHMAN. I speak at this moment only for the dairy farmers, perhaps because I am so much more familiar with their problems than I am with those of other farmers. However, I imagine the same problems exist in other fields of agriculture.

The dairy farmers are caught in a disastrous squeeze. The revenue which they obtain as a result of their labor has been continuously decreasing; and it is honest labor, labor involving sweat and hard, continuous toil. I believe the Senator from Minnesota recorded yesterday the fact that the income of the dairy farmer has dropped an average of somewhere between 20 and 29 percent.

Mr. HUMPHREY. That is correct.

Mr. LEHMAN. Whereas, the supplies and equipment the dairy farmers must buy, together with the items which they need even for their household use, have not declined in cost.

Mr. HUMPHREY. That is correct.

Mr. LEHMAN. As a matter of fact, the prices of those items have gone up.

Mr. HUMPHREY. They have gone up.

Mr. LEHMAN. The only price which has declined, and the only thing which, as a matter of fact, has kept average prices stable—and the Republicans make much of the stability of prices—has been the price of food, which has gone lower than it has in many years.

Mr. HUMPHREY. The Senator is so right. The Republican administration proudly proclaims that it has stabilized the cost of living, but it has done so at the expense of American agriculture. What the Senator has said is exactly the truth.

But interest rates have not been stabilized; they have gone up. The largest single increase in farmers' costs has been in the interest rate charges which the farmers have to pay on their long-term and short-term notes.

As I said earlier today, a report just released by the Federal Reserve Bank

of Minneapolis, which is in the 10th region, I believe, indicates that this year short-term farm credit, which is the kind of credit used to purchase livestock, seed, and equipment, is 17 percent higher than it was last year. The costs of long-term credit on farm mortgages are going up at an average rate of more than a billion dollars a year beyond the ability of the farmers to pay.

So when we repeat what we have said, someone finally asks, "What are you going to do about it?" I will tell the Senate: We must enact legislation which will afford relief.

John Maynard Keynes was once asked, "What is the difference between the long-term and the short-term effects of economics?"

Lord Keynes replied, "In the long run, you are dead."

Long-term relief is not needed just now for agriculture. What is needed is short-term relief. Agriculture will not get such relief unless we adopt as a minimum S. 3183, which is now before the Senate. It needs some very strong amendments. It needs some very good amendments. But it needs amendments which will strengthen it, not amendments which will weaken it.

If we should go back to the newspaper program, the paid Republican advertisement "Boxtop" program, I do not know how we could do anything with it. I might ask the Parliamentarian how we could vote on the Eisenhower program, since it is before us only in a newspaper ad. I wonder if voting on a newspaper ad is within the precedents of the Senate. I shall not press it at this time, but I shall discuss it later. I should like to have the Parliamentarian look into the question of how the Senate could vote on an ad which appeared in the Shakopee Valley News. I have been receiving some of these ads from Shakopee and Chaska. Perhaps we can establish new precedents in the Senate so that we will not have to print bills, and we can cut down the costs of Government. We can have the Republican National Committee's ad agency write up the bills.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. The Assistant Secretary, Mr. Peterson, came into my State last year, and said that the farmer should realize that his dreamworld was over—the dreamworld being considered the war years. Does not the Senator agree with me that the farmer now realizes that the dreamworld of the war years is over?

Mr. HUMPHREY. The farmer surely does realize that fact. He realizes he is living in a nightmare—a Republican nightmare. There are no nice dreams any more. I may add that he has quit counting sheep, for the reason that he had to sell the sheep. It is a good thing we have a wool act; otherwise I do not know what farmers would have.

Mr. President, if my colleagues will bear with me, I should like to speak about the wheat situation, because the present administration likes to point out the "mess" they inherited from the previous administration.



The total carryover of wheat in July 1952 was 255,000,000 bushels, or one-fourth of what it is today. Such a reserve would have been enough for only about three months in event of an emergency. That would have been a scanty reserve for full-scale war.

The carryover was 225,000,000 bushels. I am going to say this next line rather loudly because I want Ezra Benson to hear me.

Ezra, do you think the 255,000,000 bushels of wheat which you inherited was a mess? Do you think that was too many bushels?

Ezra, do you advocate that this country should ever have less than 255 million bushels of wheat in reserve? On the other hand, Ezra, how come you have 1 billion bushels in reserve now, if you are so confoundedly good with your management and efficiency?

Two hundred and fifty-five million bushels of wheat, we had in reserve in 1952 and the farmers were getting a pretty good price for wheat. Yet the Secretary of Agriculture speaks for a half hour on television. I am going to be on tonight for only 15 minutes. I shall not need 30 minutes to answer what the Secretary of Agriculture said in 30 minutes.

The Secretary of Agriculture went on television and told the American people the reason things are bad is that he inherited "the mess." The only "mess" he inherited was his political affiliation. That is the only trouble. He has bumped into the wrong philosophy.

Facts are facts. Sometimes they are very disturbing. The fact is that in July 1952—and in Oklahoma and Kansas they have most of the crop already harvested by July—there were 255 million bushels of wheat in reserve.

I shall tell my colleagues something else. In July 1952, farmers could store their wheat for 6 cents a bushel, at 4 percent interest on their crop loans. One of the first things the administration did was to increase the price of storing wheat to 11 cents a bushel and increase interest rates from 4 to 4½ percent. The administration believes in price supports for some people.

Now representatives of the administration are going around the country and are saying that the American people are paying \$1 million a day for storage charges. Whose fault is it? The administration's fault. It was not necessary that farmers pay 11 cents a bushel for storage. Farmers stored all the wheat they wanted for 6 cents a bushel 3½ years ago. Not only that, but the United States Government granted loans to build warehouses. The Government itself has built thousands upon thousands of storage bins.

The Department of Agriculture wants so thoroughly to discredit the price support program that the people will want to get rid of it. This has been said time after time in private conversations, which I have reported to the Committee on Agriculture and Forestry. As I said to the committee, if anybody challenges the validity of my statement, I shall bring before them personnel from the Department of Agriculture who have made that

statement. They are working on a program in which they have openly said they do not believe. The administration would like the program to fail. It would like to have the American people believe it does not work, so that there would be a free market.

I know what a free market means. One of the first jobs I had as a boy was driving a grain wagon. That was before farmers had many trucks. In South Dakota, where I worked as a boy we used to line up. I used to work in a header box. There were days when the grain did not grow high enough to be shocked. We had to head it. If anyone wants to get a good work-out, I suggest that he get in a header box and drive around all day in the hot sun. Then we would get in the grain wagon and drive our team to town. If the wagon could be seen coming a block or so away, the price of the grain would go down 5 or 10 or 12 cents before we got to the elevator. That happened in the days before the Exchange Act, which limits the fluctuation in any one day. I am not sure of the exact amount, but there are limits beyond which the price of grain cannot fluctuate. If the price exceeds the limits, the grain market has to close down.

My father told me that in the Dakotas he would have his grain shocked and ready for the community threshing rig to come through, but by the time he got his grain to market the price of it could have fallen 50 cents. After the grain speculators bought the grain, the price then went up.

Mr. President, that is one reason why we have price supports. One of the basic reasons is orderly marketing, to give the farmers a chance to store his grain long enough so he can take advantage of a market price which is reasonably steady. In Minnesota and other northern States, most of the grain goes to the elevators in August or September, and, farther south, in such States as Kansas and Oklahoma, in June or July. If there were no controls, prices would be depressed at those times. After a while, the price would go up, but that would be after somebody else got the commodities.

The farm program provides a way for farmers to receive loans on their commodities. How many Americans know the price-support program is a loan program on goods? It is not a subsidy; it is a loan program on goods, the same as a loan for purchasing something at the store or obtaining a loan on a home. The farmer pays 4½ percent on the loan, and he has deductions made from the loan—on every bushel to pay for storage.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. It is a loan, but not a commercial loan. It is backed by a tangible collateral. Is that correct?

Mr. HUMPHREY. That is correct. The collateral is in being, right there, on hand.

Interestingly enough, the price support program for 20 years under Demo-

cratic administrations cost less than 40 cents a person. Under the Republican administration it has cost \$2.50 a person.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. In the 20 years under Democratic administration, the price-support program cost less than 40 cents a person, including all products under price supports, and including a loss of nearly half a billion dollars in the case of potatoes. Is not that correct?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. In other words, the loss on all price-supported products in the 20 years of Democratic administration was an average of about 35 cents a person per annum. The cost to the taxpayer because of the loss on the basic commodities, as a result of price supports, averaged less than 1 cent a person per annum over the 20-year period. In other words, the loss, counting everything, was approximately \$1 billion. The loss on the basic commodities was approximately \$20 million. In the case of some products, such as cotton, substantial profits were made. Is not that correct?

Mr. HUMPHREY. That is correct. I think the same is true in the case of wheat. I am not sure, but I think that during the war period and the period immediately following the war, some profit was made on wheat.

Mr. SYMINGTON. In fact, in the case of cotton, there was a profit of \$248 million.

Mr. CASE of South Dakota. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. Naturally I have been interested in the able Senator's description of heading wheat when he was a boy in South Dakota. I hope we are raising better wheat these days.

Mr. HUMPHREY. There was more drought then.

Mr. CASE of South Dakota. Of course there was some drought in the 1930's.

Mr. HUMPHREY. I was not too old then.

Mr. CASE of South Dakota. The development of rust-proof varieties of wheat has helped a great deal, of course.

Mr. HUMPHREY. Let me say that my uncle, Dr. Harry B. Humphrey, formerly Chief Plant Pathologist for the Department of Agriculture for more than 20 years—he passed away only a few years ago—did as much to develop rust-proof varieties of wheat, including control of the barberry bush, as was done by any other person. He was cited for his work in developing rust-proof varieties of seed. He retired in the 1940's. I remember as a boy going into a wheat field with my uncle; and I remember how we could see a dip in the field, and we would know that there was some rust there; and we could pick out the stems, and could find rust on them, and could see the trail of rust-infected wheat



ahead of us. Those were interesting days to me.

Mr. CASE of South Dakota. I think Dr. Humphrey did a great work in that respect.

There was a young man who went to the State college at Brookings, also—

Mr. HUMPHREY. Does the Senator from South Dakota refer to Dr. Hanson?

Mr. CASE of South Dakota. No; not Dr. Hanson; I refer to a man who later went to Texas. His name escapes me for the moment. He was a student at the South Dakota State College of Agriculture; and he began experimenting with varieties of wheat, in the backyard of the house in which he roomed while he was in college. I have heard it said that his work resulted in multiplying the production of wheat in South Dakota from 2 times to 4 times what it would have been if conditions had remained as they were during the years when we were bothered with rust.

I appreciate the description the Senator from Minnesota has given, because I myself had a few boyhood experiences with farming, too.

I wish to suggest, however, that the able Senator from Minnesota could make a real contribution regarding the point he was discussing, namely, the comparative costs to the American people, in connection with the making of loans on wheat; if he would place in the RECORD, in connection with that point, a table giving the dollar-and-cent value of the support loans during the period of 2 years—

Mr. HUMPHREY. I am going to do so.

Mr. CASE of South Dakota. Because my memory is that the average of the loan prices for the last few years is far above the average of the loan values on corn and wheat during the preceding 20 years.

Mr. HUMPHREY. I think that is correct, because during the last years we produced more.

Mr. CASE of South Dakota. No; I mean that in the past few years the loan price per bushel on both corn and wheat has been far above the average for the prior 15 or 16 years.

Mr. HUMPHREY. Of course it has been if we refer to the average over the 15 or 16 years, because back in the 1930's a carload could be purchased for less than \$1,000.

Mr. CASE of South Dakota. And the average for the past few years is also considerably above the average from 1945 to 1953.

Mr. HUMPHREY. Would the Senator from South Dakota say it is higher than the average from 1948 through 1953?

Mr. CASE of South Dakota. Yes, on both corn and wheat, in South Dakota.

Mr. HUMPHREY. Mr. President, I appreciate that information. Let me ask the Senator from South Dakota what it proves.

Mr. CASE of South Dakota. It has been more expensive—I am not questioning that perhaps there has been expense—but if the loan price per bushel were lower, and if there were wartime markets, nothing was lost by having a low support rate. The wartime markets not merely took care of the surplus; they

kept prices well above the lower support loan rates.

Mr. HUMPHREY. I have always been interested in the administration's talk about peacetime markets. We are now spending for defense as much money as we spent at any time during World War II. In fact, the whole world is spending more money for defense. Our subcommittee has just made a study of armament expenditures throughout the world. They are at an all-time high, and have been since 1945. As you know, Mr. President, no more wheat is used as a result of shooting a gun. It all depends on the extent to which a nation is mobilized. We are now spending more money on armaments than we have spent during any year since the end of World War II, except during the Korean war.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. I should like to ask a question: Is it not true that today the Government of the United States is paying more than the market price to stockpile commodities in the interest of national security?

Mr. HUMPHREY. I do not know whether the Government is paying more than the market price, but I know the Government is stockpiling—and that is a program which I approve.

Mr. SYMINGTON. Is it not true that if there were to be an atomic attack, the first thing that would happen would be a dislocation of transportation?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. Therefore, is it not true that one of the most important commodities to stockpile—if not the most important commodity to stockpile—is food, so that cities such as New York would have sufficient food until transportation could be resumed to a reasonable extent?

Mr. HUMPHREY. I think that would be a sensible program, and I think the other members of the Committee on Agriculture and Forestry would take the view that that would be a good program.

Mr. SYMINGTON. Does the Senator from Minnesota see why the administration is so proud of its program of stockpiling various war materials, whereas, to the best of my knowledge, the administration has not stockpiled 1 pound of food to be used in case of an atomic attack? Does the Senator from Minnesota think that makes much sense?

Mr. HUMPHREY. No; frankly, I do not. Also, I should like to have the administration tell the taxpayers how much money is being spent to stockpile all these defense materials, and also tell the taxpayers the total costs involved, and explain to the people the storage charges for those stockpiles, and how much more than the market price the Government has had to pay for them. I am asking this only for purposes of comparison.

Of course we know it costs money to store wheat and to store aluminum, and to store copper. I am saying that if we are going to have complaints on the radio and on the television, night after night, telling the American people that the Government is spending a million dollars a day in fees for the storage of agricultural commodities, it is only common de-

cency and fairness also to say to the people, "Of course, the Government stockpiles many other things, too, on which substantial amounts of money are paid."

Mr. SYMINGTON. In fact, the storage charges in the case of some war materials are greater than the storage charges on agricultural commodities, because some of the defense commodities which are stored must be turned or moved periodically—for example, in the case of rubber. Am I correct?

Mr. HUMPHREY. The Senator from Missouri is correct about that.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield to me long enough to enable me to comment on the price of beef in my State, and to request an insertion in the RECORD?

Mr. HUMPHREY. I am happy to yield.

Mr. SYMINGTON. Mr. President, in one of the hundreds of letters which I have received in recent weeks, reporting personal experiences of Missouri farmers caught in the squeeze of falling prices and rising costs, was a news item from the front page of the Neosho (Mo.) Daily News of February 3, 1956.

Under the headline "Farmers Find It Costs Money to Raise a Calf and Send It to Market," this news story reported that a Newton County, Mo., farmer received only 35 cents, net, for a 2-week-old calf, after paying \$1 for hauling the calf to market.

It is small wonder that the farmers of Missouri are demanding an opportunity for an equal share in the national prosperity, of which they read so much in the newspapers, but in which they have had a continually decreasing share under this present administration.

Mr. President, I ask unanimous consent that the newspaper article from the Neosho Daily News of February 3, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FARMERS FIND IT COSTS MONEY TO RAISE A CALF AND SEND IT TO MARKET

Albert Howland, who milks 14 cows on his 80-acre farm near Neosho, figures it might not be a bad idea to revive Henry Wallace's farm plan and plow under every other pig. Only in his case it would be Jersey calves.

Producing a sales slip, Howland yesterday showed what he meant. He sent a 2-week-old Jersey calf to market.

It brought him \$1.25 at the sales barn. The ticket showed a deduction of 90 cents—60 cents for commission, 25 cents for yardage, and 5 cents for insurance.

That left a balance of 35 cents from the sale of the calf.

He paid a trucker \$1 to bring the calf to market.

Mr. HUMPHREY. In response to the Senator from South Dakota [Mr. CASE], on the question of the actual loan value of certain commodities, including wheat, corn, cotton, peanuts, rice, tobacco, barley, oats, rye, sorghums, and so forth, I have a table from the Agricultural Marketing Service. It shows, for 1952, 1953, 1954, and 1955, the actual support price for each commodity, and the percentage of parity. I ask unanimous consent to have the table printed in the RECORD at



this point as a part of my remarks. It takes us back only to 1952. I will obtain the other figures and place them in the RECORD the next time I obtain the floor.

The PRESIDING OFFICER. Is there objection?

Mr. CASE of South Dakota. Mr. President, reserving the right to object—and, of course, I shall not object—would the able Senator have any objection to my inserting, following this table, the figures for wheat and corn for South Dakota from 1945 through 1953?

Mr. HUMPHREY. No. I think such figures would be very appropriate.

Mr. CASE of South Dakota. I have the figures at my office.

Mr. HUMPHREY. I ask unanimous consent that the RECORD be held open so that the Senator from South Dakota may insert a table at that point.

Mr. CASE of South Dakota. I thank the Senator.

The PRESIDING OFFICER. Without objection, the table submitted by the Senator from Minnesota will be printed in the RECORD at this point; and, without objection, the RECORD will be held open so that the Senator from South Dakota [Mr. CASE] may make an additional insertion, if he so desires.

The tables referred to are as follows:

*Price support programs—Support price of farm commodities*

[Established by Secretary of Agriculture under applicable laws]

| Commodity                | 1952   |                   | 1953   |                   | 1954   |                   | 1955             |                   |
|--------------------------|--------|-------------------|--------|-------------------|--------|-------------------|------------------|-------------------|
|                          | Actual | Percent of parity | Actual | Percent of parity | Actual | Percent of parity | Actual           | Percent of parity |
| Wheat <sup>1</sup> ..... | \$2.20 | 90                | \$2.21 | 90                | \$2.24 | 90                | \$2.08           | 82½               |
| Corn.....                | 1.60   | 90                | 1.60   | 90                | 1.62   | 90                | 1.58             | 87                |
| Cotton.....              | .31    | 90                | .31    | 90                | .32    | 90                | .32              | 90                |
| Peanuts.....             | .120   | 90                | .119   | 90                | .122   | 90                | .122             | 90                |
| Rice.....                | 5.04   | 90                | 4.84   | 90                | 4.92   | 90                | 4.66             | 86                |
| Tobacco.....             |        | 90                |        | 90                |        | 90                |                  | 90                |
| Butterfat.....           | .692   | 90                | .673   | 90                | .562   | 75                | .562             | 76                |
| Milk, manufacturing..... | 3.85   | 90                | 3.74   | 90                | 3.15   | 75                | 3.15             | 80                |
| Wool <sup>2</sup> .....  | .542   | 90                | .531   | 90                | .532   | 90                | .62              | 106               |
| Honey.....               | .114   | 70                | .105   | 70                | .102   | 70                | .099             | 70                |
| Tung nuts.....           | 67.20  | 62                | 63.38  | 65                | 54.96  | 60                | ( <sup>3</sup> ) | ( <sup>3</sup> )  |
| Barley.....              | 1.22   | 80                | 1.24   | 85                | 1.15   | 85                | .94              | 70                |
| Oats.....                | .78    | 80                | .80    | 85                | .75    | 85                | .61              | 70                |
| Rye.....                 | 1.42   | 80                | 1.43   | 85                | 1.43   | 85                | 1.18             | 70                |
| Sorghum grain.....       | 2.38   | 80                | 2.43   | 85                | 2.28   | 85                | 1.78             | 70                |
| Flaxseed.....            | 3.77   | 80                | 3.79   | 80                | 3.14   | 70                | 2.91             | 65                |
| Soybeans.....            | 2.56   | 90                | 2.56   | 90                | 2.22   | 80                | 2.04             | 70                |
| Beans, dry edible.....   | 7.87   | 85                | 7.79   | 87                | 7.24   | 80                | 6.36             | 70                |
| Cottonseed.....          | 66.70  | 90                | 54.20  | 75                | 54.00  | 75                | 46.00            | 65                |

<sup>1</sup> 1956 support price: \$1.81, 76 percent of parity.

<sup>2</sup> 1956 clip will be supported at 106 percent of parity.

<sup>3</sup> Means not yet announced.

*Price supports in South Dakota*

[Figures supplied by State A. S. C. office, Huron, S. Dak.]

| Year      | Wheat      | Corn    |
|-----------|------------|---------|
| 1935..... | 0          | \$0.45  |
| 1940..... | \$0.60-.70 | .61     |
| 1945..... | 1.32-1.41  | .90-.96 |
| 1950..... | 2.02       | 1.36    |
| 1951..... | 2.18       | 1.48    |
| 1952..... | 2.18       | 1.50    |
| 1953..... | 2.22       | 1.50    |
| 1954..... | 2.25       | 1.50    |
| 1955..... | 2.15       | 1.47    |

ment to farm legislation pending at that time to authorize the advancement of funds for the building of grain storage facilities, including wooden bins, where they were approved, permitting the facilities to be paid for out of the storage fees which the farmer would earn during the first 5 years of the life of the building.

Mr. HUMPHREY. That is a good suggestion.

Mr. CASE of South Dakota. I am in hearty agreement with that general idea.

Mr. HUMPHREY. The Senator from South Dakota is familiar with the problems of the farmers in his home State. He has a practical knowledge of them. I have always been one of those who believed that more on-the-farm storage is very desirable. I think in the long run it would save the Government money.

Mr. CASE of South Dakota. I think it would, too. It has been true in my own case that once in a while we miscalculated the amount of feed we might need through the winter. It was pretty handy to have some of that grain near enough so that it could be unsealed and used for feed without paying freight charges to the Senator's great city of Minneapolis and back. We like to unseal it as near as possible to the point of use. Then, too, the feature of storage on the farm has made it possible for farmers to acquire buildings which add to their property value. Through earnings from storage charges, they have been able to pay for

facilities to store the grain, which otherwise would have gone to the terminals.

Mr. HUMPHREY. I think there is another point in favor of storage on the farm. When storage is done on the farm the movement of that commodity is literally blocked at the farmer's gate, and it does not get into the terminal elevators or into the pipeline, so to speak, where it might have a depressing effect on the market price.

Mr. CASE of South Dakota. Yes, I have seen trucks lined up, just as the Senator says he has seen wagon boxes lined up, waiting to unload. I have seen piles of grain dumped near the railroad station when cars were not available.

Mr. HUMPHREY. Shortage of box-cars is a continuous problem.

Mr. CASE of South Dakota. It is a problem. The Senator from Minnesota and I, in our personal experience, have seen the wisdom of providing a storage program and a loan-support program.

Mr. HUMPHREY. I thank the Senator for his contribution. It is very valuable.

Continuing with the case of the so-called mess which Secretary of Agriculture Benson talks about inheriting, that mess consisted of a sound agricultural plant producing at levels demanded for that time, with farm prices averaging 100 percent of parity, and with only enough reserves for prudent safety in event the Korean conflict erupted further into a new world war.

Those minimum reserves—2 months' supply of feed grains, a month and a half's supply of corn, and slightly over 3 months' supply of wheat—and apparently the "burdensome surplus" the President appears so concerned about when he talks of wartime policies "too long continued."

Am I to understand that if he had been President in 1952, in the midst of wartime conditions, with feed demand exceeding annual production and in the face of those limited reserves, he or any other responsible official would have ordered at that time a cutback in our production? I do not think so. I do not believe President Eisenhower or any other President would have done that.

I ask that some spokesman for the White House answer that question, if the administration intends to persist in such misleading propaganda about past policies "too long continued."

The only way the Democratic administration could have "too long continued," those policies was up to January 1, 1953. We went out the first week of January 1953. If anyone continued the wrong policies after 1953, it must have been the Eisenhower administration that did so. I have been talking about the policies in effect up to 1952, what the level of production was up to that time, and the level of so-called surpluses.

I ask the present Secretary of Agriculture, in view of his continuing assertions about all of agriculture's troubles stemming from too long maintaining what they term "wartime incentives," whether he would have recklessly risked this country's security by cutting back production at such a time.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. I certainly agree as to the importance of the storage of food along with the storage of other essentials. I think such storage ought to be on the liberal side rather than to be on the gambling side. I have always been one of those who believed that the best place for such storage is as close as possible to the point of production. I believe in farm storage.

Mr. HUMPHREY. Storage on the farm.

Mr. CASE of South Dakota. Storage on the farm.

Mr. HUMPHREY. I concur in that general view. I think it makes good sense.

Mr. CASE of South Dakota. The last year I was in the House of Representatives I joined with Representative PHILLIPS, of California, in offering an amend-



We were still at war in Korea, and we needed our maximum production.

In 1952 we had quite a war on our hands. We were worried about a larger conflict. The international situation was very desperate, very critical.

If the administration is to persist in saying that the troubles it inherited were caused by wartime policies, "too long continued," it must mean that in 1951 and 1952 we should not have expanded production, despite the fact that in 1952 we were using up our supplies of grain feeds faster than we were able to add to those supplies. If there were Republicans who did not think so, their voices were not raised then. How can they justify such a clamor now?

It is particularly ill-becoming the President of the United States to talk about wartime policies being too long continued, when during his own campaign in 1952 he himself pledged keeping 90 percent of parity for at least another year if he were elected, and promised to seek full parity after that.

If, as the President says, 90 percent of parity was too long continued, he and his administration did the continuing by waiting until 1954 before daring to wiggle out of campaign promises to America's farmers.

Remember, in 1952 the carryover was only 255 million bushels of wheat, 486 million bushels of corn, and 20 million tons of feed grains.

Suppose they tell us they lacked time to effectively do anything about the 1953 crop.

All right, we will go along. We were still at war, and the Government still preferred taking its chances on the side of abundance rather than the side of shortage.

But even in October of 1953, the corn carryover was only 769 million bushels. Carryover of wheat was only 562 million bushels. Carryover of total feed grains was only 27 million tons.

Those figures are not at all alarming. Five hundred and sixty-two million bushels of wheat are just about enough for 6 or 7 months of normal consumption. Seven hundred and sixty-nine million bushels of corn are just about enough, under present consumption requirements, with the present census of animals—or, rather, were at that time, 1953—for about 2 months of consumption, or not even 2 months of consumption.

I repeat, Mr. President, at the end of 1953, the supplies on hand were not dangerously high. They were not at all dangerously high in the light of the commitments of this country, in light of the international situation, and, above all, in light of the increase in our population.

What would happen if in some of the great grain-producing areas of the United States we had a winter of the kind that has caused so much suffering in southern Europe this year? What would happen to the winter wheat crop? What would happen, for example, in some areas of the country where spring wheat is planted, if those areas were to get a killing frost of the kind Western Europe has suffered?

What do Senators think would happen to our supplies in situations like that?

I have lived through a drought, as I am sure other Senators have. We have had unusually good production weather during the past several years. I can remember when, as a boy, the last crop we had was in 1927 and the next one in 1938. We waited almost 12 years for a crop. I can remember duststorms day after day and month after month, which were so bad that we could not see a block down the street. In one area of Beadle County, in South Dakota, I saw the topsoil blown off a large part of the land in that county. It was blown off, and all that was left was the hardpan. The earth was as hard as concrete.

The Government of the United States sent there great big bulldozers, and scoops, and shovels and the topsoil was taken out of the ditches and placed on the fields. I remember as a young man in South Dakota being able to walk from the ground up the side of the largest barn in the county. The dirt was piled up against the whole side of the barn. I believe I know something about a drought. I knew some people—no matter how efficient they were or how conscientious, or how filled with faith and purpose—who had no crops year after year.

I remind the Senate that only the other day there appeared in the newspapers pictures showing one of the most serious duststorms the southwestern part of our country has ever experienced. Whole areas were swept away by tornadoes.

I am not one of those Senators who are greatly concerned about the supplies in the pipeline and in our inventory.

I cannot imagine any businessman saying that he is greatly concerned about a reasonable inventory. No one with any business experience would say that. The first elementary lesson of business operation is that it is necessary to have a working inventory and a source of supply. I was taught that much when I was a boy 11 years of age. When I was that old I started in our business by taking an inventory. The first lesson I received was, "Son, be sure that you have most of your capital involved in inventory."

Of course, if there is little or no inventory in the farm program, the grain speculators have a field day, and the consumer must pay through the nose. That is what happens when there is not a sufficient inventory of food and fiber.

I say to the consumers of America and to all the housewives of America that one of the greatest blessings they have is in the form of abundant food and fiber supplies in the Commodity Credit Corporation warehouses. That inventory has done more to keep prices down than any other single factor. I would look with great concern on living in this country, or in any other country, at a time when there was a shortage of food and fiber.

A man who visited my office before I came on the floor told me that in Mexico turkey meat is selling for a dollar a pound. Minnesota is one of the largest turkey-producing States in the Nation. I believe it is either the second or third

largest. We have some of the biggest turkey processing plants in the country, where the turkey meat is packed and frozen. That man was interested in turkey markets in the Latin-American countries. He said, "Senator, isn't it interesting that we have had all this talk about surpluses of turkeys? The Government hesitated to do anything about it. It hesitated even to help us open new markets."

The turkey processors and turkey growers are meeting in Washington today, trying to do something about the foreign markets. Our people in Minnesota will sell turkeys in Mexico.

Do Senators know why turkeys are selling for \$1 a pound in Mexico? Mexico is short of turkeys. That is why the average Mexican does not get turkey meat. He does not have a chance to eat turkey.

If people will come to Minnesota, we will serve them the finest turkey they can get anywhere. They will get the finest turkey they ever tasted in their lives. They do not have to be bluebloods or rich, any one can get in Minnesota the finest food in the world at reasonable prices. We have an abundance of food and fiber. That is the reason, Mr. President, why prices are reasonable.

What has happened since 1953? I want the RECORD to be crystal clear. Secretary Benson has talked about inheriting a mess. He may have inherited a mess, I do not know anything about that. However, it was not in the agricultural program. He may have inherited some other kind of mess, but he did not inherit a mess in agriculture.

In 1952, we had barely enough in the way of supplies to get by. In 1953, we had a modest carry-over. What has happened since? Well, let us see what the administration has done.

At the beginning of the 1955 marketing year, after 2 years of Bensonism, the carry-over of wheat was 1,021,000,000 bushels. The carry-over of corn was 1,050,000,00 bushels. The carryover of feed grain was 29½ million tons. Mr. President, people can blame a great many things on Harry Truman, apparently, and they can blame a great many things on Charles Brannan, the former Secretary of Agriculture. However, it is pretty hard to blame the 1955 and 1954 crops on them. It is pretty hard to blame on either Mr. Truman or Mr. Brannan something that happened in the Department of Agriculture 2 years after they left office. It is pretty hard to make anything like that stick. Some people believe that all our troubles are due to Truman and Brannan. There was one thing about Harry Truman. One always knew when Harry Truman did something. He took credit for what he did, and he took the blame for what he did not do, and for what other people did or did not do.

It was refreshing to see a man who was willing to take responsibility. Now it is a sort of shifting scene all the time, and we never know who is getting us into trouble. It is like Secretary Dulles' remark about the brink. When Secretary Benson appeared before our committee he said he did not know that we had



been close to war; therefore he had not planned for the necessary food and fiber, because he had not been told that we were on the brink of war three times.

Then there is that frank and candid man from General Motors, Mr. Wilson, who holds a position called Secretary of Defense. He had not been told and he did not know that the country had been 3 times on the brink of war in 3 years, and that only by the miraculous hands of John Foster Dulles and President Eisenhower were we drawn back.

In case we get to another brink of war, I think the Secretary of Defense should be cut in on it, for if we get into war, he is one man who should know we are in it. And it would not be a bad idea to let the Secretary of Agriculture know sometime within the month.

The truth is that there is just a little too much independent operation, too much flying on one wing, and not enough coordination.

Mr. President, if surpluses have become unmanageable, and are to be blamed for depressed prices in agriculture, they are surpluses created by this administration, through price-depressing, income-reducing policies.

Our surpluses are not the result of 90 percent of parity. I have placed in the RECORD the fact sheets to show that the greatest production increase came in those commodities that have less than 90 percent of parity. I have pointed out, and I shall at a later time put into the RECORD, statistical evidence to show that as we cut price supports, we increase production.

Our surpluses would not be unmanageable if we had people with a will to manage them for the protection of farmers, and the creative imagination to use them constructively, instead of merely a blind drive to get rid of them at any cost—to the Government or the farmer.

Both Secretary Benson and President Eisenhower persist in deceiving the American people on this false concept of inherited surpluses.

I wish to pin this one down today. I know that some of my critics will be examining this RECORD, and I ask any critic or anyone who disagrees with my position on agriculture to show me how the carryover at the end of 1953 was unmanageable. I ask them to examine the RECORD of 1953 after the administration had been in power 6 months, and at the end of 1953, after it had been in power 1 year—1 full year in which to mess it up themselves. Even then the surpluses were great. At the end of 1952 the carryover was at a basic minimum for the protection of the health, welfare, and security of the United States.

Mr. President, I do not know how else to get this message out to the people. That is the only reason why I am making this talk tonight.

The people have been told so often that the surpluses at the end of the Democratic administration were too great that they begin to believe it. They have been told other untruths, too, Mr. President. I know of no better way to describe it than to say it was plain, out-

right misinformation. They have been told at times things about our national security which were not correct. If a phrase is repeated often enough by the radio, by television, in magazines and newspapers, some people will start to believe it. The Russians believe what the Kremlin leaders tell them, because that is all they hear.

Many of the German people believed what Hitler told them. Many of our own people in the cities and on the farms believe what is told them, because that is all they hear. They are told in magazine after magazine, editorial after editorial, that the reason why there is trouble in agriculture is because of "the mess we inherited." The authors of that statement are Eisenhower and Benson.

If they think it is a mess, what will they think about what will be left to the next administration that comes in? I sometimes almost wish we Democrats were not going to win next November when I think of all the work cut out for us. The last time the Democrats took over from the Republicans in a national election, the Republicans had had the great engineer, Mr. Hoover, as President. He is a fine and distinguished citizen, but I regret to say that by the end of his administration there were so many tremendous problems left for the next administration, that it was anything but a joyride and a pleasure to serve as President. I hope our next President will not find himself in a similar situation.

Secretary Benson knows full well that the facts I have brought to the attention of the Senate today are true. They are from his own Department. I know the advertising agency he is using has not read those statements. I have a great respect for these public relations firms. They are fine; they are necessary, and they perform a great function in the commercial life of our Nation. They are absolutely essential. Advertising is an important occupation. But when an advertising firm takes hold of a commercial commodity, it tries to find out all about it. For instance, they set out to advertise motor oil. They examine the viscosity, they find out how many miles it can be driven, and whether it is Pennsylvania oil or Texas oil.

I wish the advertising agencies would do just as good a job when they write speeches and newspaper advertisements for Mr. Benson. I wish they would look at the facts first. If they would do that they would be doing us all a great service.

Mr. President, I said that the Secretary of Agriculture knows that what I have said is true. Yet he continues to blame the plight of agriculture on what he calls the mistakes of past administration leadership, blaming our stepped-up production entirely on previous programs of 90 percent of parity.

But he confessed the truth once, when few Americans were around to hear him. When he spoke before the Food and Agriculture Organization in Rome last year he told the rest of the world that America had increased production to protect the free world from the threat of shortage and scarcity, and that as a

result, the free world had an obligation to help absorb that increased abundance.

Why does he not admit to the American people that it was the patriotism of the farmers in responding to appeals from our Government to produce enough for world emergency needs, and not Democratic mistakes, which resulted in overabundance.

I have one question to ask him. Is it morally right for the Secretary of Agriculture to tell the world family of nations that we produced an abundance to protect them from shortage and scarcity, and, therefore, they have an obligation to help absorb that abundance?

What can one think about our Secretary of Agriculture going over to Rome and telling the many members of the Food and Agriculture Organization that the reason America has an abundance and a surplus is because we entered upon a policy of increased production to protect the world from scarcity and shortage? Then he says to these delegates, "Gentlemen, you have an obligation, therefore, to help us by buying the products from us, because we Americans did our part. We expanded our production to help you. Now, you help us."

That is what he said in Rome. I wish I had been there. I was supposed to be a delegate, but I was engaged in farm hearings. But I had the record. Now, in the United States, when he goes on the radio or television, he says:

The only reason why we have this terrible problem is that the Democrats messed it all up. They messed it up with overproduction.

Mr. Secretary, I ask this question: Is it morally right for you to talk this way? You should have told the folks in Rome what you tell the folks in Minnesota, or you should tell the folks in Minnesota what you told the folks in Rome. Or am I to understand that when you are in Rome, you do as the Romans do, and when in Minnesota, you do as the Republicans do. Is that what I am to understand?

I mean only some Republicans. I want to make the Record clear. Many Republican Senators have had great courage. They have stood up against their own party leadership. They have represented their people.

The present Presiding Officer, the distinguished junior Senator from South Dakota [Mr. CASE], has demonstrated his courage many times, especially in the field of agriculture.

I was in a discussion yesterday with the junior Senator from North Dakota [Mr. YOUNG]. The record of the junior Senator from North Dakota in behalf of the farmers of his State is an excellent one.

The farmers of North Dakota have never had a better friend than the distinguished senior Senator from North Dakota [Mr. LANGER].

My own colleague, the distinguished senior Senator from Minnesota [Mr. THYE], has demonstrated plenty of courage standing up for 90 percent of parity and the kind of farm program which we both favor. He a Republican, I a Democrat. We agree on a farm program. Do you know why, Mr. President? It is because we live where the



farm people live. We talk to farmers. We see their conditions. I think we know the kind of people they are. We know farmers are people who have never asked for a free ride. We know they are people who have never asked for a handout. We know they are hard-working, self-sacrificing people, good, solid, substantial citizens.

Mr. President, I say that if anyone in America is deserving of a break, it is the people who work long hours, the people who respond to every request of their Government, the people who have a record of faithfulness and of honor second to none.

Mr. President the press-bestowed halo around Mr. Benson gets a bit tarnished at times when his actions are really placed under scrutiny.

Let me add one more comment about Mr. Benson's appeal to other countries to help bail him out of his surplus problems. If the free world has a moral obligation toward our farmers for their all-out emergency production, so indeed must our own Government have such a moral obligation.

How can the United States Secretary of Agriculture go to Rome and say to the Italian people, "You have an obligation to bail out the American farmers"? Yet the same Secretary of Agriculture returns to the United States and lectures the American farmers, as he did in St. Paul a couple of years ago, saying that they will not get any help from their Government unless there is a disaster. He said that price supports would be disaster insurance. He said that if the American farmers got too much help, it would hurt their moral fiber.

I have some advice for all those persons who worry about the moral fiber of others: Let them worry about their own. Generally, persons—especially persons engaged in politics—who go around lecturing other folks about their moral fiber would do better if they simply worried about their own moral fiber. There are clergymen who know how to preach better than such persons. I am of the opinion that clergymen have a better way of explaining, of touching our hearts, and of bringing us a little closer, perhaps, to Divine Providence than do some of us who are in positions of political responsibility.

Anyway, the farm families of Minnesota do not want to have anyone coming out from Washington to lecture them about their morals or their moral fiber. What they want is someone to help them get price supports on their food and fiber.

If no satisfactory program has been evolved to use our abundance wisely, the responsibility rests upon the shoulders of Secretary Benson and President Eisenhower.

If no satisfactory program has been devised to protect the farmers' income while adjusting production to world conditions that changed after 1952, the responsibility rests again upon the shoulders of those who asked the American people to trust them for leadership in 1952. And do not tell me that the

widely huckstered "bold new Eisenhower" farm program of 1956 fills either of those needs.

This administration wants to claim credit for peace and prosperity. I gather they are going to do a lot of talking about it. If they want to receive credit for peace and prosperity, then I want them to take credit for what has happened to agriculture. If they want to take credit for reasonably full employment in American factories, I want them to take credit for all the farm surpluses which have accumulated, and which they say are so unmanageable. The surpluses were accumulated during the present administration.

They say, "Give us the credit for all the apples without spots and worms. You take the credit for those with spots and worms." I do not intend to let them get by with taking credit for all the gold and telling us to take the credit for all the tinsel.

But, I grant our task will be a tough one. I have never seen such political propaganda and controlled publicity in my life. It is actually impossible to get through the paper curtain in this country. The Iron Curtain is about the toughest to breach; but the paper curtain is pretty tough, too.

I repeat what I said earlier: I intend to make the record crystal clear, so far as Senator HUBERT HUMPHREY is concerned. This is not Benson's farm program; it is Eisenhower's farm program. Eisenhower is running for reelection. I want him to defend his farm program. If Eisenhower is to be a candidate for reelection, he will have to face up to these issues. He has made his own decision.

A clever job has been done in America by the Republican National Committee and its satellites. In foreign affairs, if anything goes wrong, it is Dulles' foreign policy. Anytime anything goes wrong in the Department of the Interior, in terms of natural resources, or the leasing of lands, it is McKay's policy. Whenever anything concerning atomic energy or the Dixon-Yates contract comes up, it is the policy of Admiral Strauss, the Chairman of the Atomic Energy Commission. If anything goes wrong in the field of agriculture, it is Benson's fault.

I do not agree with that. I say it is the fault of the man who is the boss, not of the man who is appointed. The President of the United States is an elected public official; his subordinates are appointive public officials. What clever political strategy it is if the Chief Executive can keep his appointees always expendable, thereby protecting the man at the top.

There was a theory in the early days of history that the king could do no wrong. That was when there were monarchies. We have never had in this country the theory that the President can do no wrong, because we check our Presidents. The President of the United States is responsible for the farm program; he is responsible for the surpluses; he is responsible for the mismanagement of the program. If he wants to correct

those conditions, all he has to do is to change strawbosses.

This administration's imagination is so limited that it lacks the vision to convert to good purpose our ability to produce. Instead, all it can think of is to ask farmers not to produce—for which it will pay them some kind of "unemployment compensation" while disguising it behind a high pressure advertising campaign to make them think they are better off with less income.

I shall return to this subject later in my remarks, because it needs more than a passing lick. Suffice it to say that the Eisenhower farm program was designed to meet some problems of the Eisenhower administration, not to meet the problems of our farmers. While the public is made to believe this administration's great generosity is inspiring a handout of millions to farmers, not one thing it suggests means increased income or earnings for America's farmers this year.

But let us take these new proposals in due time.

We are still discussing how we got into this fix.

There has been more concern in the administration about the disposal of surpluses than there has been about disposing of the farm problem. What I have been worrying about is that in the process of removing the so-called surpluses, we shall be removing the farmers. Very frankly, that is what would have happened had we not learned about and exposed the administration's farm bill. I want to repeat: The sponsors of that bill surely left it in a hurry. The bill was introduced on a Monday. By Thursday, all its sponsors had run for the political weeds. One after one they made it quite clear. They said, "Record me on this. Get it in the record." They have to get it in the RECORD, because not one Senator could have gone home to his constituency and stood the test of election if he had voted for that farm bill.

Farmers are wise. They would have found what was in the bill in short order, once they got a chance to look at it. My office was filled with mail from people who were wondering what was happening in Washington.

I repeat, I think it would be interesting for anyone to get the records of the Committee on Agriculture and Forestry and find out what it was the administration put in that administration farm bill. I want to tell you, Mr. President, they moved away from sponsorship of that bill faster than a bobsled team goes down the bobsled slopes in the Olympics. And that is pretty fast, too, Mr. President.

So if the people want us to vote for the Eisenhower farm program as set forth in the advertisement, someone is going to have to reintroduce the bill, and I am confident nobody in Congress will introduce it.

I can not get over these box-top politics: "Send a coupon to your Senator." It is a wonder they did not put the frank-



ing privilege on the coupon. Mr. President, that is an easy way to get one's political views across. One does not even have to write a form letter, but merely send a coupon.

"Clip the coupon and send to your Senator."

"Clip the coupon and send to your Representative."

I am very happy to report that in the State of Minnesota very few coupons have been clipped. Most of the "coupon clippers" in our State are against a good farm program, with few exceptions. There may be a few exceptions.

Oh, I know some people say Secretary Benson's lower support prices have not had a fair trial, and that this sliding—not flexible—scale program has not been in effect until last year.

The truth is, that Secretary Benson's attempt to control production by lowering farm prices has been in effect and force since the day he took office. His intentions to bring down support levels were made clear right from the outset. He wasted no time in lowering support levels over which he had discretion, and started a vigorous campaign to change the law so he could bring the rest down.

The time that future price prospects may have a bearing on a farmer's intention is at planting time, not at harvest time.

When farmers planted in 1953, they knew support levels would be lowered on some commodities and were likely to go down in the future on others.

When they planted in 1954, they knew the pressure was still downward, with a greater slide ahead.

When they planted last year, they knew the squeeze of lower prices was really on.

Yet production has gone up consistently; just as many of us warned it would. It has gone up the most on commodities where support levels were cut the most.

The earliest and most drastic price-support cuts Secretary Benson made were on feed grains, for which the law gave him full discretion. Yet today, the total supply of feed grains and other concentrates has increased to a new high of 197 million tons for the 1955-56 season, about 14 percent higher than the 1948-53 average.

The same thing has been true for other commodities.

When support levels were reduced, production increased, except where marketing controls were put into effect.

Mr. President, I ask unanimous consent to have published at this point in my remarks a statistical table substantiating my claim that the sliding scale has not reduced farm production. In fact, the sliding scale has greatly increased farm production on every commodity on which the price-support level has been reduced.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Sliding scale has not reduced farm production*

[When support levels were reduced, production increased, except where marketing quotas were put into effect.]

| Commodity                            | Level of support   |                    |                   | Production (million of units) |        |                   |
|--------------------------------------|--------------------|--------------------|-------------------|-------------------------------|--------|-------------------|
|                                      | 1952<br>(per unit) | 1955<br>(per unit) | Percent<br>change | 1952                          | 1955   | Percent<br>change |
| Wheat.....hushels.....               | \$2.20             | \$2.06             | -6                | 1,299                         | 1,917  | +49               |
| Rice.....hundredweight.....          | \$5.04             | \$4.66             | -8                | 48                            | 149    | +210              |
| Cotton.....pounds and bales.....     | \$0.31             | \$0.31             | 0                 | 15.1                          | 12.9   | -15               |
| Corn.....bushels.....                | \$1.60             | \$1.58             | -1                | 2,977                         | 3,113  | +4                |
| Oats.....do.....                     | \$0.78             | \$0.61             | -22               | 1,260                         | 1,636  | +30               |
| Sorghum grain.....hundredweight..... | \$2.38             | \$1.78             | -25               | 83                            | 227    | +275              |
| Soybeans.....bushels.....            | \$2.56             | \$2.04             | -20               | 298                           | 388    | +30               |
| Milk.....percent.....                | 90                 | 75                 | -17               | 80,812                        | 87,773 | +9                |
| Barley.....bushels.....              | \$1.22             | \$0.94             | -23               | 226                           | 387    | +71               |
| Flaxseed.....do.....                 | \$3.77             | \$2.91             | -23               | 30                            | 43     | +42               |
| Rye.....do.....                      | \$1.42             | \$1.18             | -17               | 16                            | 28     | +75               |

<sup>1</sup> Marketing quotas in operation in 1955 but not in 1952.

<sup>2</sup> Acreage allotments in operation in 1955 but not in 1952.

Mr. HUMPHREY. Mr. President, when we were asked in this Senate to approve the sliding scale of lower price supports, the main argument advanced was that lower prices would help curtail production.

Many of us argued the opposite, pointing out the farmer's fixed costs that compelled him to increase volume to attempt to maintain his income when unit prices were declining.

I submit, Mr. President, that the facts themselves now disclose the fallacy of the administration argument that lower prices are an effective and proper means of curbing production.

The next argument advanced was that 90 percent supports meant too many controls, and that the sliding scale would make controls less necessary.

Pardon me, Mr. President, if I seem to chuckle at that suggestion. When I read it now it seems so ludicrous that anybody could have believed that flexible controls would have meant less control over farm production.

Perhaps some farmers bit on that one, but they have learned better.

With the sliding scale law of 1954 in full effect during the past year, market-

ing quotas were still in effect for cotton, wheat, peanuts, rice, and tobacco, with corn under acreage allotments. And the Secretary of Agriculture has already made known his intentions of tightening controls even more this year.

Show me where lower prices, and lower income, have freed farmers from controls.

Show me where lower prices, and lower income, have reduced production.

Show me where the sliding scale has done anything for agriculture other than squeeze downward on the farmers' income.

Some people still try to tell us what happens in Washington has little to do with farm prices.

Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks a table showing the change in support levels on different commodities between 1952 and 1955, and the resultant change in average prices received by farmers for those same products.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Farm prices are made in Washington*

| Commodity                                | Support level |        | Average Oct. 15<br>market price re-<br>ceived by farmers |         | Percentage change<br>1952-55 |                                                          |
|------------------------------------------|---------------|--------|----------------------------------------------------------|---------|------------------------------|----------------------------------------------------------|
|                                          | 1952          | 1955   | 1952                                                     | 1955    | Support<br>level             | Average<br>national<br>price re-<br>ceived by<br>farmers |
| Barley.....bushel.....                   | \$1.22        | \$0.94 | \$1.42                                                   | \$0.909 | -23                          | -36                                                      |
| Beans, dry edible.....hundredweight..... | 7.87          | 6.36   | 8.48                                                     | 7.04    | -19                          | -17                                                      |
| Butterfat.....pound.....                 | .692          | .562   | .735                                                     | .569    | -19                          | -23                                                      |
| Corn.....bushel.....                     | 1.60          | 1.53   | 1.53                                                     | 1.14    | -1                           | -25                                                      |
| Cotton.....pound.....                    | .308          | .32    | .3677                                                    | .328    | +4                           | -11                                                      |
| Cottonseed.....ton.....                  | 66.70         | 46.00  | 70.70                                                    | 43.50   | -31                          | -38                                                      |
| Flaxseed.....bushel.....                 | 3.77          | 2.91   | 3.73                                                     | 2.76    | -23                          | -26                                                      |
| Milk, wholesale.....hundredweight.....   | 3.85          | 3.15   | 5.29                                                     | 4.34    | -18                          | -18                                                      |
| Oats.....bushel.....                     | .78           | .61    | .823                                                     | .591    | -22                          | -29                                                      |
| Peanuts.....pound.....                   | .120          | .122   | .111                                                     | .118    | +2                           | +6                                                       |
| Rice.....hundredweight.....              | 5.04          | 4.66   | 5.76                                                     | 4.60    | -8                           | -20                                                      |
| Rye.....bushel.....                      | 1.42          | 1.18   | 1.74                                                     | .926    | -17                          | -47                                                      |
| Sorghum grain.....hundredweight.....     | 2.38          | 1.78   | 2.87                                                     | 1.63    | -25                          | -43                                                      |
| Soybeans.....bushel.....                 | 2.56          | 2.04   | 2.71                                                     | 2.08    | -20                          | -23                                                      |
| Tobacco.....pound.....                   | .495          | .466   | .509                                                     | .55     | -6                           | +8                                                       |
| Wheat.....bushel.....                    | 2.20          | 2.08   | 2.07                                                     | 1.94    | -5                           | -6                                                       |
| Wool.....pound.....                      | .542          | .62    | .523                                                     | .395    | +14                          | -25                                                      |

Source: Agricultural prices, USDA.



Mr. HUMPHREY. Mr. President, let me say right now that it has been Secretary Benson's philosophy of cheap feed that has brought on cheap hogs and cheap beef, and thrown the greatest income-producing segments of our agriculture into a tailspin. That was testified to again and again in the Senate committee hearings. When cheap feed is available, there will be cheap hogs and cheap cattle. And let me hasten to add that it is cheap hogs and cheap beef to the producer, not to the consumer.

While farmers suffer hardship, meat packers' profits have soared tremendously.

Yet Secretary Benson shuts his eyes to such profits and tries to blame consumer meat prices on higher labor costs, when the truth is that labor cost per pound of meat coming out of our packing plants today is lower than a year ago. Labor costs on a pound of meat coming out of our packing plants are lower today than they were a year ago.

Ezra, answer that. I charge on this floor that you have misled the American people. The labor costs for a pound of meat today are less than they were a year ago.

Any increase in wage rates in meat packing plants in the last year have been more than absorbed in increased productivity, letting packers reap a windfall of profit at the expense of both livestock producers and consumers.

It is time for Republicans, and everyone else, to be more concerned about saving the farmer, than about saving face on a program that has not worked.

Secretary Benson's farm program stands today condemned as an utter failure, a proven failure.

It is a monument to mismanagement and bad judgment.

And no wonder.

It was born in a spirit of preconceived political prejudice and partisanship.

It has increased surpluses, rather than reduced them. It has reduced income, rather than increased income.

It has driven prices down, rather than pushed them up.

It has resulted in the liquidation of billions of dollars of farm assets.

I wonder how many people realize the tremendous liquidation of farm assets which has taken place in the past few years. It runs into the billions of dollars.

It has spread fear and uncertainty throughout farms and ranches of the Nation, and demoralized farm markets.

Even the much vaunted businesslike efficiency of Republicanism is absent from the Benson farm program.

It is a monument of mismanagement. It is a horrible example of confusion. And it is being administered by stubborn and willful men, unwilling to admit the error of their ways, more interested now in saving face than in saving the agricultural economy.

Farmers can no longer look to the Department of Agriculture as their friend in Government. The great farm committee system of freely elected farmer committee members, so essential to the successful operation of any farm program, has been demoralized and become the victim of political manipulation.

I wish the Senator from Missouri [Mr. SYMINGTON] could explain again what has happened in the State of Missouri with regard to farmer committee election systems, as has happened in other States.

Farmers no longer run their own farm programs. Republican Agricons are in the saddle. The Department of Agriculture has become a privileged sanctuary for processors, speculators, and financiers.

Just as Republican policies are driving the farmers off the land, those policies have long ago driven farmers out of the Department of Agriculture.

Mr. President, these days it is as hard to find a real dirt farmer in the top echelons of the Department of Agriculture as it is to find a glass of cold water in the Sahara Desert. There used to be lots of real honest-to-goodness farmers up top in the Department of Agriculture; there used to be in the Department of Agriculture farmers who were Secretaries of Agriculture or Under Secretaries of Agriculture. I can remember when Al Loveland, from Iowa, and Claude Wickard, from Indiana, served in the Department of Agriculture. They were real farmers. They tilled the soil. But today when we go to the Department of Agriculture, we meet persons from the Safeway Stores or persons from the food processors—not the growers, but the processors—or persons from the Meat Institute—not cattlemen, Mr. President, but persons from the Meat Institute. All of them are fine people; do not misunderstand me, Mr. President. But they should be serving in the Department of Commerce, not in the Department of Agriculture.

Nothing in the law provides that a real farmer cannot be appointed to a top position in the Department of Agriculture. Of course I do not say that all positions in that Department should be occupied by farmers. Of course I do not want every position in the Government to be held by a farmer, any more than I want all Government positions to be held by labor, or all Government positions to be held by business. I do not want ours to be a farmer government or a labor government or a business government. I think the duty is to have a balanced government. But such a balanced government has long since been something of the past.

I know there will be those who will charge that I am just outright partisan in regard to this issue; but I wish to say that the hour for righteous indignation is at hand. If it is partisan to charge the Republican administration since 1952 with mismanagement, when it is proven by the facts, then I plead guilty. I have given the statistics and the facts.

Of course representatives of the administration will attempt to rationalize the present situation; they will say, "You do not realize the effect that Brannan and others who served in the past have had. Their spirit remains; it lingers on." I have even heard such persons say that one of the troubles is that there are too many carryovers and too many holdovers in the Department of Agriculture. Well, it is a good thing, Mr. President, that there are still some

holdovers in the Department who have a working knowledge, and a basis of expert information.

It is amazing how many persons are still gullible enough to accept some of the brain-washing process that comes from the office of the Secretary of Agriculture, the office of Mr. Benson. He bemoans the surplus, which his policies have created and are aggravating. He bemoans farm-program costs, which under his bungling administration have soared to unbelievably new highs—but with less results.

He talks about freedom from regimentation, but then invokes stricter controls than agriculture has ever before had to endure, plus the worst regimentation of all—the regimentation of poverty.

He talks about bipartisanship, while injecting into the administration of our farm programs more partisan politics than ever before in history.

The sad and tragic thing about this administration is that it has now become a victim of its own propaganda. On this issue of farm surpluses, it has tried to scare the daylight out of the American people. In the process of so doing, it has frightened itself.

In order to meet this so-called monstrous problem, it has again embraced a fallacious economic philosophy—the same economic practices that were tried, and that failed, in the days of mass unemployment in the early thirties. The idea that by reducing prices, production will be reduced, and thereby agriculture's income problems will be solved, is a throwback to a repudiated political-economic formula that was tried on other surpluses a generation ago.

If mass unemployment—a labor surplus—developed, the supposed cure was to let wages fall until reemployment became "profitable," or until hunger-driven men would accept jobs at any wage. That is real regimentation.

If prices were falling, the cure was to let them fall until they hit bottom. If production exceeded consumption, the cure was to let enough surplus small-business men fail. Thus, these short-sighted people rationalized, every depression would ultimately end. Theoretically, that was correct, but of course in the meantime almost all the people were at the end, too. During the past quarter of a century, the great progress of our general economy from boom and bust to stability and progress, from inhumanity to social conscience, has repudiated that false economic doctrine, for most segments of our economy.

Mr. President, I must say that today the Republican leadership in far too many areas is trying to do to the American farmer just what the Republicans did to the American workingman 25 years ago. It is time these Republican Rip Van Winkles woke up, and learned some lessons from the past.

Our society has found that decent wage standards and living standards for workers require collective bargaining—another term for orderly marketing of labor—and unemployment compensation—another term for price supports for workers' income. Our society has accepted pegging of interest rates by the Federal Reserve System to assure solv-



ency of our banks, and has accepted tariffs to protect our industry, and has accepted assurance of fair returns on investments for our transportation and utility systems. Our Government provides and protects these standards, by law.

It is about time, then, that we accept orderly marketing and price protection for farmers, as a legitimate function of government.

Please do not misunderstand me, Mr. President, I am not in any sense saying that legislation alone can solve everything for the farmer, or that the farmer should put his sole reliance on legislation.

What I am saying is that the Government has just as much responsibility to promote the welfare of farmers, as it does to promote the welfare of any other segment of our economy. But today the Government is failing to fulfill that responsibility.

Recently the junior Senator from Arizona [Mr. GOLDWATER]—a Republican—and I both spoke before the National Association of Manufacturers, in New York. The Senator from Arizona and I shared the platform there. The subject of their panel, when we appeared, was "Political Requirements for Prosperity." Business and industry exert their influence to have the Congress enact legislation and adopt policies which they believe will be beneficial to business and industry. There is nothing wrong with that—and certainly there is nothing wrong with having the farmer ask to be remembered, too.

Why should he be told to go home and take care of his own problems, and to quit looking to his Government for help?

Today we need in Washington, men who understand that agriculture is a truly competitive industry, made up of independent enterprises that are the trademark of the American economic system. This competitive economy needs built-in economic safeguards and a climate of Government cooperation, for its preservation.

The central issue is more than an argument over the level of price supports, or, for that matter, over the details of any farm legislation. The central issue is the basic attitude of our Government toward American agriculture. No law is any better than the spirit and intent of those who administer it.

Do we really believe in the concept of equality for agriculture? Do we really desire to maintain and promote the traditional American social-economic pattern of family farming? If we really believe in equality of agriculture and continuation of the family farm tradition, then the Government must so design its programs and policies as to achieve and sustain these objectives.

Farmers are tired of being looked upon as statistics. They want to be looked upon as people, as human beings, as first-class citizens, as individuals of equal importance to anyone else in the national social and economic picture. Our farmers justly deserve all of this.

How can any farmer believe this administration really wants to see 100 percent of parity for farmers in the market

place, as it professes, when its own spokesmen insist, out of the other side of their mouths, that crop loans at 90 percent of parity are too high because they price American agricultural products out of the market, and invite foreign competition? Mr. President, think that through for a minute, please. If 90 percent price supports are too high and force prices so high that foreign competition is invited to enter our markets and forces American-grown agricultural commodities out of the market place, what do you think, Mr. President, 100 percent of parity would do to the free market? One hundred percent of parity would make it even worse.

How can anyone say, on the one hand, when speaking out of one side of his mouth, that he is in favor of 100 percent of parity in the market place; but then say, out of the other side of his mouth that he is opposed to 90 percent of parity on crop loans because 90 percent is too high and forces American-grown agricultural commodities out of competition, and invites foreign agricultural commodities to come into our market?

Yet that is the kind of double talk the administration's spokesmen keep dishing out.

How can any farmer believe this administration really wants agriculture to achieve equality of income, when one of its spokesmen says farmers were living in a "dream world" back in 1951, and should not expect to get such prices again?

Yet, even in the "dream world" of 1951, the average net income of farmers was only half the per capita income of others.

How brazen can the spokesmen for the administration get? How ridiculous can they get?

Why should farmers, alone, be expected to take a downhill skid which the administration calls "adjustment," while the rest of the economy reaps profits far beyond their own "dream world" wartime highs?

Mr. President, I may say that in 1951 there was quite a "dream world" for a considerable number of other folks, too.

We have mentioned what has happened to agriculture since 1952. What has happened to the rest of our economy? Corporation profits, after taxes, are up 36 percent since 1952. Interest collections are up 22 percent since 1952.

Does this administration tell business and industry it should quit expecting such a dream world, and start adjusting downward? Of course not. That kind of talk is reserved for farmers.

How long do Senators think Secretary of Commerce Sinclair Weeks would last if he persisted in publicly telling business and industry their profits were too high, and that they should expect less for their products next year?

What do Senators think would happen if Sinclair Weeks, Secretary of Commerce, should go before the National Association of Manufacturers and say to them, "Gentlemen, you had it too good in 1951. You must quit even hoping that you will ever have it that good again, and you ought to be ashamed of yourselves for even having it that good at any time since." If any responsible official of the Department of Commerce

should go to any business group in the country and say to that business group, "You had it too good in 1951; you were living in a dream world; you should never expect ever to have it that good again, and you ought to be ashamed of yourselves for even thinking of having it that good again," they would be down here demanding that he be fired, and justly so.

What do Senators think would happen if the Secretary of Labor went before a labor organization and said, "You had a dream world in 1951. You had it too good. It will never be that good again. You had better get used to it. You had better get used to coming down." There would be a mass movement to fire the Secretary of Labor so fast it would make one's head swim.

Yet Don Paarlberg, Chief Economist of the Department of Agriculture, can go up to Massachusetts and talk to a group of farm people, people interested in agriculture as a business, and say to them, "Gentlemen, 1951 was your best year. That was a dream world in which you were living. It will never be so good again. You had better get used to it. It is going to be worse next year. Do not ever even think about getting back to the standards of 1951."

That is in substance what Mr. Paarlberg said. He was even more blunt than that. That is a very peculiar kind of thinking to have as the economic philosophy of the Department of Agriculture.

Yet that is the way the Secretary of Agriculture has talked, ever since he has been in office. Is it any wonder farm prices have gone down, when the Government's official spokesman for agriculture keeps telling the public and the trade that prices are too high, and must be brought down?

Let me emphasize the untold harm done to America's farmers by this negative attitude on the part of the Department of Agriculture.

Regardless of the kind of laws we provide, they are not going to be effective if they are administered by people who either do not believe in them or lack the commonsense to make effective use of the legal tools placed at their disposal to help agriculture.

Administrative policies of the Department have been as detrimental to agriculture as the legislative monstrosities this administration has sponsored.

Because the Eisenhower farm experts had preconceived notions that everything achieved out of trial and error of the past must be wrong, because they had preconceived ideas that they always knew best, they set out to prove they were right—regardless of the consequences to farmers or the country.

They embarked upon a calculated effort to destroy public confidence in the price support programs, and they helped destroy confidence in the commodity markets in the process at the expense of every farmer and at the expense of the public.

They embarked on a campaign to scare the people with the bugaboo of surplus because they lacked the imagination to make good use of abundance, and wound



up being scared of the surplus themselves.

It is not the surplus that depresses farm prices. It is how the surplus is handled—how it is managed.

As long as America's grain trade, cotton trade, and edible oil trade know the Department of Agriculture is determined to bring farm prices down, do you think any private operator is foolish enough to carry any larger inventory on hand than absolutely necessary?

That is why the Department of Agriculture is getting bigger surpluses the more it dumps products at cut-rate prices—because they are serving notice to the trade every day that they are going to get rid of everything they have on hand, come what may, at whatever sacrifice to farmers and taxpayers it may require.

I want the RECORD to be clear. I have talked with some of the largest processors of fats and oils in our State, and in the Midwest. Those processors have told me that they would no more think of carrying a private inventory today than they would think of jumping into the Grand Canyon. They ask, "Why should we? The Government is constantly depressing prices. Let the Government carry the inventory. The Government is constantly dumping. We will get it at a cut-rate price."

Furthermore, the Secretary of Agriculture knows this, because some of the men in the grain business and the processing business have told the Department this very thing. Some of the Department's own advisers have told the Department these things. I have talked with some of the advisers of the Department. I know some of the Department of Agriculture advisers, and I know what they have had to say to the Department. But the Department refuses to heed the advice. So today the Government is carrying practically all the inventory.

One of the largest exporters in the Midwest told me less than a month ago that he completed an export transaction recently which ran into millions of dollars, and never touched the grain at all. He said, "In years gone by I always had the grain in my possession, but with the Department in control, you cannot tell what the price of anything is ever going to be." So he said, "We let the Government carry the inventory."

This is what I mean when I say that there is mismanagement. I do not ask my colleagues to accept my word for it. I ask my colleagues to go to the soybean processors and the processors of linseed oil. Go to the members of the grain trade itself. Most of them are Republicans. Ask them whether or not they think the Department of Agriculture is being well managed. I will put the best dinner that Washington affords on the line if 9 out of 10 of them do not say that the manner in which commodities are handled is a laughing matter; it is a matter about which they joke in the trade.

I receive telegrams from men in the grain business who say, "Do you know, Senator HUMPHREY, that they have been dumping corn in your market, the Minnesota market—1948 and 1949 corn, the

best corn we ever had, good, dry corn, with good feed value, at distress prices, just to dump it?" Senators should see what happens to the cash corn market when that takes place.

I have asked the Department to open up the secret recommendations of its advisory committees. I am becoming tired of gumshoeing around Washington, finding advisers to the Department and asking them to come to my office or my home and tell me what they are advising the Department.

I was elected to the Senate. I was not appointed. I am an elected representative. I have a right, as a member of the Government, to know what the recommendations are to the Department of Agriculture. One cannot learn what they are. They are a more carefully guarded secret than the secret of the H-bomb.

Do Senators know why they cannot find out what is in those recommendations? Perhaps I can shake them out tonight. The reason is that the recommendations are contrary to the policy. The recommendations of the advisers to the Department are not the recommendations which the Department is making to the Congress. I regret that I must spend as much time as I do in finding members of the advisory committee so that I may talk with them. But I have talked with them. I am saying this in the Senate because I am sure there is someone present from the Department of Agriculture. I want him to rush back and tell the Department officials what I have said.

Let us get those recommendations to the Department of Agriculture here. Send them to the Committee on Agriculture and Forestry. I am a member of that committee. I am becoming tired of having to vote on legislative matters when all I have is the recommendation of an appointee who refuses to follow the recommendations of his own advisers.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a press release which I issued on January 20, 1956. It is under the headline "Humphrey Seeks To Break Secrecy Lid on Farm Advisory Group's Reports."

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

**HUMPHREY SEEKS TO BREAK SECRECY "LID" ON FARM ADVISORY GROUP'S REPORTS**

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, sought today to "flush out into the open" secret recommendations of Secretary Benson's Agricultural Advisory Committee.

At a meeting of the Senate Agriculture Committee, of which he is a member, Senator HUMPHREY asked that "all the reports" of the advisory group be made available for the Committee's review.

"Repeatedly, the administration has publicly stated that it has leaned heavily on the advice of this advisory group in formulating its farm policies," Senator HUMPHREY said. "Yet never has any of the group's reports or recommendations been made public. All we know about them is what Secretary Benson tells us.

"As long as our committee has the responsibility of drafting legislation to correct the deplorable condition to which Amer-

ican agriculture has deteriorated under this administration, I think we are entitled to take a look at the kind of advice Secretary Benson has been getting from his Advisory Committee about which they have talked so much—and whether he has been following it.

"I ask that Secretary Benson be called upon to submit to our committee for review all the reports of his advisory committee, so we can judge for ourselves whether he has been getting good or bad advice, and whether he has been using it.

"The President and the Secretary have both made much ado about getting together the 'best available brains' to guide them on agricultural policy, yet we in the Congress who must make critical decisions are not even given to chance to know what these advisers have to say. It is time to break this lid of secrecy, and bring these reports out into the open."

Senator HUMPHREY also asked the committee to determine whether or not the Department permitted dissenting members of its advisory committee to file "minority reports" on any recommendations, and if so to obtain such "minority reports" along with other recommendations and full reports of the advisory committee's meetings.

Mr. HUMPHREY. Mr. President I wish to conclude quickly.

Much of the so-called surplus problem is merely getting the trade to carry its own inventory, instead of having it carried at Government expense.

Ever since this administration started lowering price supports and adopting other price-depressant policies—and asking for more authority to dump its holdings into the market at cut-rate prices—private commodity dealers have reduced their own normal inventories.

And why not? The private traders knew that under the panic of this administration's race to get rid of whatever it has on hand they could always buy back all they wanted, whenever they needed it later, at lower prices from the Government.

The situation is so pathetic, Mr. President. If I have talked once, I have talked fifty times with people in the processing business, in the grain trade itself. I visit with the grain trade people when I go home to Minneapolis. I go over to our grain trading pit, which is one of the greatest markets in the world. I wish Senators would talk to those people about how the Commodity Credit Corporation is operated. Do Senators know what some of the grain trade people have told me? They have said, "You Democrats did not do too well at it, but oh, man, this crowd." I had breakfast with some of them only about a month ago. They had asked me to have breakfast with them. Do Senators know what they wanted to talk to me about? They wanted to talk to me about how the administration is running the farm program. They were not talking about price supports. They were talking about business, and about the way the Government is handling the surplus commodities. Some of them frankly told me, "Senator, I know this is good for our business, the way it is being done, but we are citizens, too."

They were disturbed, and I was proud of them. I was proud of them for putting their country above their own economic interests.



They did not vote for me. I have scarcely a vote in all the 7 floors of the grain exchange building there. Perhaps there are 1 or 2. Perhaps I have 1 or 2 good friends there. They are brave souls. I have never asked them to advertise the fact that they have voted for me, because that might hurt their business. However, they do know how to run a business. They surely do not believe that the Department knows how to run one. Yet the Commodity Credit Corporation is the biggest business in all of agriculture.

When has this administration ever actually told the Congress what is surplus and what is not in the Government's holdings of farm commodities?

Oh, they tell you how much the CCC owns, and how much they have under loan.

But do they come before us, when they cry so loudly about the surplus, and tell us just what is the real surplus beyond total domestic requirements, export needs, and safe reserves?

Do they tell us to what extent their present holdings are normal inventory of the commodity trade?

Do they tell us, if they know, what level of supply of various major commodities the National Security Council feels should be maintained as available in the public interest, for immediate needs and potential emergency needs?

All these questions have been raised during Senate committee hearings. Where are the answers?

I wish the Secretary of Agriculture had the good judgment of the Red Cross. The Red Cross knows it needs a blood bank, and it tries to provide blood for its blood bank. The Red Cross knows it needs reserves of blood to meet an emergency. Of course if the people in the Red Cross followed the practice of the administration, they would say, "We ought to get rid of our reserves of blood. Whenever we need blood, we will simply go out in the street and snatch up someone and throw him on the ground and tap him."

I asked where the answers were.

They are not fooling the traders in the market place. They are outcounting the Department of Agriculture at every turn.

If the Department of Agriculture persists in thinking its main mission in life is in getting rid of everything in its hands, instead of getting farm income back where it belongs, the traders are going to take advantage of that knowledge by speculating downward on a market bound to go down.

Just let the Department suddenly reverse itself, and see how quickly the trade reverses itself in the commodity markets.

Suppose the Department of Agriculture were to announce today, for example, that it has changed its mind, that it is not going to get rid of any of its holdings; that it is going to lock them up tight, for emergency purposes. Over night we would see the difference in the market.

Why should grain buyers build up inventories now, with the Department of Agriculture frankly announcing that its prices will go down in July when new

support levels go into effect? One must have holes in his head to want to do that.

Yet what do Senators suppose is going to happen when this Congress votes to change all that, and restore 90 percent of parity for this year's crop?

Just wait and see. Watch the private inventories build back up, while the buying is still cheap.

In fact, if this administration is so dedicated to surplus removal, the best thing it can do would be to agree with this Congress to lift prices for the coming year.

Private trade would step in and take 50 percent of everything we have in the Commodity Credit Corporation warehouses. If the Government really wants to relieve itself of storage charges, and if the Government really wants to get rid of some of its commodities, it should urge us to pass the 90 percent of parity program. Then we will see what will happen in as short a time as a month. Private traders will move in fast.

Let me cite just one of many, many examples.

That is the cruel hoax seriously depressing the corn market during the past year, when the Secretary of Agriculture seized upon a loophole in the law for purposes other than which it was intended to dump supposedly deteriorating corn onto the market at distressed prices, underselling the farmers they are supposed to protect.

The present farm law contains a necessary provision permitting the Secretary to sell, rather than hold any commodities in danger of spoiling in storage. Nobody objects to that. It all depends on how such authority is used.

The antispoilage provision was never intended as a market factor. If the Commodity Credit Corporation's holdings are acquired for the purpose of stabilizing prices, as the law requires, then these stocks should be rotated by being replaced with new commodities acquired in the open market whenever it becomes necessary to dispose of deteriorating commodities.

Such a course would keep from upsetting the market, and still preserve the good condition of our storage stocks.

But that is not the way this administration acted. In all the panicky search for ways to get rid of the surplus with which this administration has scared itself—a surplus amounting to only 3 months' reserve of corn—some bright boy sold the Secretary of Agriculture on the idea of using the "spoilage" loophole as a surplus disposal "tool," permitting him to sell below otherwise required levels.

Such action broke the corn market heavily last year, costing farmers thousands upon thousands of dollars. And it is quite common gossip in the commodity trade that some speculators made quite a killing out of gambling on prices going down when they learned in advance of the Department's decision to unload a sizable quantity of corn under this loophole.

I am afraid the Secretary was improperly "used" by advisers who had interests other than just getting rid of the surplus for the sake of the Government. I do

not impugn his motives; I seriously question his judgment. And I think the situation that resulted could seriously bear being carefully investigated.

It is far from a secret in the grain trade that corn supplies labeled "in danger of spoilage" by the Department of Agriculture were bought at bargain-counter prices, and used to displace corn that would otherwise have been purchased from farmers. It is no secret in the trade that the corn was not spoiled. It was not spoiled corn.

Such tactics as these, indicating the Department's willingness to undercut the market, have kept private dealers apprehensive about carrying any substantial inventories of their own, aggravating the Department's surplus problem and adding to its storage costs that otherwise would be borne by the private trade.

In spite of all its lipservice to preserving free markets, this is just one more illustration of the way the Department of Agriculture under Secretary Benson has consistently disrupted normal functions of such markets, led to administered low prices for farm products, and channeled too great a proportion of our commodities through Government hands.

It is such administrative bungling, coming on top of lowered price supports and a propaganda campaign emphasizing that the farm prices would have to come down, that has piled up more surplus and greater costs of handling that surplus.

Losses to the Government are the greatest in history.

It is amazing, but true, that in just 3 years of Benson mismanagement, total losses on price-support operations have been greater than total losses in all 20 years of previous farm price supports.

Even this does not account for the full loss.

Losses on inventory values of Government-owned commodities which have not yet been chalked up—and will not until they are finally sold—total \$2½ billion more—twice as much as the 20 previous years of total losses.

These inventory losses are the result of the administration's own action in cutting the support price—and therefore the market value—of farm commodities, including those in its own inventories.

Here are some figures that indicate the magnitude of the administration's mismanagement of the price-support programs:

[In millions of dollars]

|                                                          | 1933-52<br>(20 years) | 1953-55<br>(3 years) |
|----------------------------------------------------------|-----------------------|----------------------|
| Surplus on hand (in CCC<br>stocks or under loan).....    | 2,452                 | 8,666                |
| Losses to Government on<br>price support operations..... | 1,048                 | 1,280                |

Mr. President, cost figures on price support programs have always been made to look mighty big in the press. They are too big now, under this administration—bigger than they need to be for such an ineffective program.

But these costs are a mighty small investment per individual American, when



they are broken down to the price each of us pays for insurance toward a stable economy and an abundant food supply.

For the entire period between 1934 and 1952, the average cost per person per year for price support programs under direction of Democratic administrations was 33 cents. Just 33 cents a year, for each of us, to keep agriculture on an even keel and keep us a land of plenty instead of a land of scarcity.

That is less than two packs of cigarettes a year. Is that too much for the public to pay for a sound economy?

Now, I must admit that we have to pay more than the of two packs of cigarettes under this businesslike administration.

The average cost per person per year for 1953 through 1955 was up to \$2.67.

That is still not too much, if it produced results. But it has not.

That 33 cents loss per person was far more than offset by the total gain in farm income pouring into our economy.

Unfortunately, the \$2.67 loss is just piled on top of more loss the farmer is

suffering—and remember, he is paying for his share of this tax cost just like anybody else—that is, if he has any income left to pay it on.

I suppose the difference between that 33 cents per capita annual cost under we inefficient Democrats and the \$2.67 per capita cost under the businesslike efficiency of Republicanism just reflects the higher standard of living to which some Republicans have become accustomed.

Instead of two packs of cigarettes as I mentioned, they want everybody to chip in a handful of four-bit cigars.

Mr. President, I ask unanimous consent to place in the RECORD at this point a tabulation of realized losses on price support programs from inception of the Commodity Credit Corporation, plus a table breaking those losses down to an average cost per year and an average per capita cost per year.

There being no objections, the tables were ordered to be printed in the RECORD, as follows:

RECORD a table showing the differences between percentage price declines on commodities having 90 percent supports, those under the sliding scale, and those without price supports between 1952 and 1954 and between 1952 and 1955.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Sliding scale advocates say firm price supports are not effective. Facts are: Price supports cushion drop in net farm income*

#### WITHOUT PRICE-SUPPORT PROGRAM

|           | Farm operators net farm income | Percent change |
|-----------|--------------------------------|----------------|
|           | Billion dollars                |                |
| 1920..... | 6.9                            |                |
| 1921..... | 3.7                            | -43            |

#### WITH PARTIAL PRICE-SUPPORT PROGRAM

|                        |      |     |
|------------------------|------|-----|
| 1952.....              | 14.9 | -17 |
| 1954.....              | 12.3 | -16 |
| 1955 (3d quarter)..... | 10.6 | -29 |

FARM PRICES ARE MADE IN WASHINGTON  
PERCENT CHANGE FROM 1952 TO 1955 IN PRICES RECEIVED BY FARMERS FOR COMMODITIES (BASED ON PRICES AS OF OCT. 15, 1952, AND 1955)

#### I. With firm, adequate price supports

|                      | Percent |
|----------------------|---------|
| Cotton.....          | down 11 |
| Peanuts.....         | up 6    |
| Tobacco, burley..... | up 8    |
| Wool.....            | up 17   |

#### II. With sliding-scale price supports

|                          | Percent |
|--------------------------|---------|
| Barley.....              | down 36 |
| Beans, dry edible.....   | down 17 |
| Butterfat.....           | down 23 |
| Corn.....                | down 25 |
| Cottonseed.....          | down 38 |
| Flaxseed.....            | down 26 |
| Grain sorghum.....       | down 43 |
| Milk (manufactured)..... | down 18 |
| Oats.....                | down 29 |
| Rice.....                | down 20 |
| Rye.....                 | down 47 |
| Soybeans.....            | down 23 |
| Wheat.....               | down 6  |

#### III. Without price supports

|                    | Percent |
|--------------------|---------|
| Calves.....        | down 23 |
| Chickens, all..... | down 17 |
| Beef cattle.....   | down 29 |
| Eggs.....          | down 15 |
| Hay.....           | down 20 |
| Hogs.....          | down 22 |
| Lambs.....         | down 21 |
| Potatoes.....      | down 66 |
| Sweetpotatoes..... | down 51 |
| Turkeys.....       | down 4  |

PERCENT CHANGE FROM 1952 TO 1954 IN PRICES RECEIVED BY FARMERS FOR COMMODITIES (BASED ON PRICES AS OF OCT. 15, 1952 AND 1954)

#### I. With firm, adequate price supports

|                      | Percent          |
|----------------------|------------------|
| Corn.....            | down 5           |
| Cotton.....          | down 6           |
| Peanuts.....         | up 3             |
| Rice.....            | down 22          |
| Tobacco, burley..... | up 5             |
| Wheat.....           | ( <sup>1</sup> ) |
| Wool.....            | up 4             |

<sup>1</sup> No change.

Realized losses on price-support programs from inception, Commodity Credit Corporation<sup>1</sup>

| Fiscal years                               | Basic commodities (corn, cotton, wheat, rice, peanuts, and tobacco) | Designated nonbasic (butter, cheese, dried milk, honey, potatoes and tung oil) | All other nonbasic (beans, eggs, flaxseed and linseed oil, grain sorghums, etc.) | Total                    |
|--------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------|
| 1934-41.....                               | \$55,787,335                                                        | \$176                                                                          | \$4,602,190                                                                      | \$60,389,701             |
| 1942-46.....                               | <sup>2</sup> 182,568,944                                            | 41,031,385                                                                     | 15,944,584                                                                       | <sup>2</sup> 125,592,975 |
| 1947-50.....                               | 80,991,915                                                          | 486,147,833                                                                    | 134,103,927                                                                      | 701,243,675              |
| 1951.....                                  | 5,284,869                                                           | 174,027,018                                                                    | 166,286,667                                                                      | 345,598,554              |
| 1952.....                                  | 15,417,947                                                          | 1,283,599                                                                      | 50,650,030                                                                       | 67,351,576               |
| Total 1934-52.....                         | <sup>2</sup> 25,086,878                                             | <sup>3</sup> 702,490,011                                                       | 371,587,398                                                                      | 1,048,990,531            |
| 1953.....                                  | 45,807,809                                                          | 5,324,994                                                                      | 10,013,555                                                                       | 61,146,358               |
| 1954.....                                  | 177,385,988                                                         | 131,177,789                                                                    | 110,913,297                                                                      | 419,477,074              |
| 1955.....                                  | 194,541,172                                                         | 441,617,147                                                                    | 162,903,144                                                                      | 799,061,464              |
| Total 1953-55.....                         | 417,734,969                                                         | 578,119,931                                                                    | 283,829,996                                                                      | 1,279,784,896            |
| Total 1934-55.....                         | 392,648,091                                                         | 1,280,609,942                                                                  | 655,417,394                                                                      | 2,328,675,427            |
| 1956 (through Oct. 31, 1955).....          | 61,066,532                                                          | 109,183,413                                                                    | 70,264,077                                                                       | 240,514,022              |
| Total 1934-56 (through Oct. 31, 1955)..... | 453,714,623                                                         | 1,389,793,355                                                                  | 725,681,471                                                                      | 2,569,189,449            |

<sup>1</sup> The above table relates only to the activities of the Commodity Credit Corporation and does not include or relate to expenditures made by the Department of Agriculture under sec. 32, parity payments, or any other activities financed with funds provided by the agricultural appropriation bill.

<sup>2</sup> Realized gain.

<sup>3</sup> Includes \$478.1 million loss on potatoes.

Source: Figures from Commodity Credit Corporation Report, Oct. 31, 1955.

Losses on price-support programs from inception—Commodity Credit Corporation

| Commodity group                                                                       | Total cost                     |                   | Average total cost per year     |                     | Average cost per person per year |                      |
|---------------------------------------------------------------------------------------|--------------------------------|-------------------|---------------------------------|---------------------|----------------------------------|----------------------|
|                                                                                       | 1934-52                        | 1953-55           | 1934-52                         | 1953-55             | 1934-52 <sup>1</sup>             | 1953-55 <sup>2</sup> |
| Basic commodities (corn, cotton, wheat, rice, peanuts, and tobacco).....              | Millions<br><sup>3</sup> +\$25 | Millions<br>\$417 | Millions<br><sup>3</sup> +\$1.3 | Millions<br>\$139.0 | (1)                              | \$0.868              |
| Designated nonbasic (butter, cheese, dried milk, honey, potatoes, and tung oil).....  | 702                            | 578               | 37.0                            | 193.0               | \$0.256                          | 1.206                |
| All other nonbasic (beans, eggs, flaxseed, and linseed oil, grain sorghum, etc.)..... | 372                            | 284               | 19.5                            | 95.0                | .135                             | .593                 |
| Total.....                                                                            | 1,049                          | 1,279             | 55.2                            | 427.0               | .330                             | 2.667                |

<sup>1</sup> Computed on basis of 144,000,000 people (United States population average for 1933 and 1952).

<sup>2</sup> Computed on basis of 160,000,000 people (United States population for 1953-54).

<sup>3</sup> Operated at profit to Government.

Source: Figures from Commodity Credit Corporation financial report.

Mr. HUMPHREY. Mr. President, that is the fix we are in today—and how we got there.

And I am tired of hearing Benson's alibi boys says that things would have been just as bad with price supports at 90 percent, as farm prices were dropping anyhow.

Mr. President, anyone who does not believe that firm, effective price supports at 90 percent cushioned the decline far more than would otherwise have been the case is just not looking at the facts.

Mr. President, I ask unanimous consent to have inserted at this point in the



## II. With sliding scale price supports

|                           | Percent |
|---------------------------|---------|
| Barley .....              | down 24 |
| Beans, dry edible .....   | down 8  |
| Butterfat .....           | down 23 |
| Cottonseed .....          | down 15 |
| Flaxseed .....            | down 18 |
| Grain sorghum .....       | down 26 |
| Milk (manufactured) ..... | down 22 |
| Oats .....                | down 12 |
| Rye .....                 | down 31 |
| Soybeans .....            | down 6  |

## III. Without price supports

|                     | Percent     |
|---------------------|-------------|
| Beef cattle .....   | down 28     |
| Calves .....        | down 34     |
| Chickens, all ..... | down 28     |
| Eggs .....          | down 36     |
| Hay .....           | down 14     |
| Hogs .....          | down 1      |
| Lambs .....         | down 21     |
| Potatoes .....      | down 56     |
| Sweetpotatoes ..... | down 28     |
| Turkeys .....       | down 17 1/2 |

Mr. HUMPHREY. Mr. President, we have had enough of such negative leadership. It is time to call a halt. It is time to move ahead toward full prosperity for agriculture. It is time to demand equality for farmers. Yes; the issue before us involves more than price supports.

It is the entire question of fair income—fair not only to the farmer in meeting his living and operating costs, but fair in terms of relationship to the total national economy.

Any sound prosperity in our country must be built upon a firm foundation of balance in the economy, of maximum production, maximum employment, and maximum purchasing power. Our Government is committed to that concept in the Employment Act of 1946. That is why we have a Council of Economic Advisers for the President, to guide our economy toward that objective.

We appraise the health of our economy every year, to see what needs to be done to maintain that objective of balance between the triple goals of full employment, full production, and full purchasing power. We are constantly adopting and adapting policies and programs for the rest of the economy to implement that objective.

Why must agriculture be lost in the shuffle? How can we possibly achieve the goals for our total economy, if one major segment is left to drift aimlessly out of balance with the rest?

We cannot forget the tragic lessons of the early 1920's. Then, too, we heard the political hucksters sing the sweet words of "peace and prosperity." The stock market was at an all-time high. Corporate profits were going up and up. Then came the collapse that brought in its wake depression, unemployment, bankruptcy, and war.

A balanced economy is as vital to prosperity as a balance of power is to peace. We cannot and must not close our eyes to the dangers present in a farm recession. The solvency and security of the Nation is at stake. The farm problem is everybody's problem.

We can and must seek to bring agricultural income and purchasing power back into balance. We can and must seek to keep it in balance, so that farmers can share in rising living standards

along with everyone else in our country. We must do it before agriculture's imbalance topples the rest of our economy. We can and must seek to realize fair income standards for agriculture through every means at our command.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a number of telegrams favoring 90-percent supports.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MAHNOMEN, MINN., February 23, 1956.

Senator HUBERT HUMPHREY,

Washington, D. C.:

Vote for 90 percent old parity included in soil bank.

R. H. SCHNELL and AGNES SCHNELL.

GRAFTON, N. DAK., February 25, 1956.

Senator HUBERT HUMPHREY,

Senate Office Building:

Thanks for your good work on farm bill. I am with you on 90-percent supports. Keep up the fight.

ART E. ERICKSON.

MANKATO, MINN., February 25, 1956.

Senator HUBERT HUMPHREY,

Washington, D. C.:

We farmers need 90 percent on corn. Urge no compromise.

RICHARD COLDWELL.

BLUE EARTH COUNTY, AMBOY, MINN.

PITTSFIELD, ILL., February 24, 1956.

HUBERT H. HUMPHREY,

Senate Office Building,

Washington, D. C.:

No compromise, 90 percent on all basics, Pike County, 94 percent. Representing 1,200 Pike County Farmers.

ARTHUR HARSHMAN,

Chairman.

MAHNOMEN, MINN., February 24, 1956.

Senator HUBERT H. HUMPHREY,

Senate Office Building,

Washington, D. C.:

Mass meeting of farmers and business people of Mahnomen County last night urge passage of bill restoring 90-percent supports under old parity formula to basics and feed grains and dairy products. Immediate action also urged to help livestock farmers' incomes at farm level.

RICHARD COYLE,

President, Mahnomen County Farmers Union.

GREENBUSH, MINN., February 27, 1956.

Senator HUBERT HUMPHREY,

Senate Office Building,

Washington, D. C.:

The Greenbush Farmers Union favors passage of Senate farm bill favoring 90-percent support for basic crops, including oats, barley, rye, flax, using old parity formula.

JOSEPH G. ANDERSON,

Secretary.

LISMORE, MINN., February 28, 1956.

Senator H. H. HUMPHREY,

Senate Office Building,

Washington, D. C.:

We urge you to give full support to 90-percent of parity.

LISMORE-LEOTA LOCAL No. 279.

SOLWAY, MINN., February 28, 1956.

Hon. HUBERT HUMPHREY,

United States Senate,

Washington, D. C.:

This will advise that 30 farmers in this area are solidly behind you in your fight for parity and 90-percent supports. We are aware of tremendous pressure by Eisenhower-Benson

campaign to pass flexible farm bill. We regard the administration measure of no value to us.

ANDREW B. ANDERSON.

MOOSE LAKE, MINN., February 25, 1956.

Hon. HUBERT HUMPHREY,

Senate Office Building,

Washington, D. C.:

The Kettle River local of the Farmers' Union urges the Senate to pass the farm bill for rigid supports and full parity.

Mrs. SWAN KALLIO,

Secretary, Kettle River Farmers' Union.

WABASHA, MINN., February 24, 1956.

Hon. HUBERT HUMPHREY,

United States Senate,

Washington D. C.:

The undersigned wish you to know their position with respect to the highly publicized Batten, Barton, Durston & Osborne farm program. Possibly in 4 or 5 years it will begin to work for those farmers that are left. In the meantime something must be done to protect the family-sized farms, particularly the young farmers, from mortgage foreclosures and bankruptcy. Until something better is offered we are unanimously and strongly in favor of 90-percent price supports. In addition, to alleviate the problem of pork surplus we believe farmers should receive some type of incentive payment for marketing hogs under 200 pounds. These aids, added to the President's nine points, should make a workable farmers' farm program.

Leo B. Evers, Wabasha, Minn.; Math Schutn, Wabasha, Minn.; Nick Schmit, Wabasha, Minn.; Leo Kreye, Wabasha, Minn.; Anthony Gosse, Wabasha, Minn.; Francis Freese, Thielman, Minn.; Leo Schmit, Wabasha, Minn.; Lloyd Stamschror, Wabasha, Minn.; Fayne Zabel, Kellogg, Minn.; Joy Spooner, Kellogg, Minn.; Donald A. Tentis, Kellogg, Minn.; Allen J. Tentis, Kellogg, Minn.; Eugene Schurhammer, Kellogg, Minn.; George Eversman, Kellogg, Minn.; Frank Angelbeck, Thielman, Minn.; Harold R. Hall, Kellogg, Minn.; John R. Hall, Wabasha, Minn.

BEJOU, MINN., February 23, 1956.

Senator HUBERT HUMPHREY,

Senate Office Building,

Washington, D. C.:

Appreciate your stand for a decent farm program and am very thankful you are using the old parity formula which means the difference between the most of us family farmers going broke or making a living. If we have 2 years of good crops and good prices it will take 2 years to pay off our debts to the bank. Thank you for doing a swell job for us, and I assure you we all appreciate it very much.

FLOYD V. WEIMER.

Mr. HUMPHREY. Mr. President, I made it clear at the opening of my remarks on this farm issue several days ago that I intended to make a rather comprehensive talk to expose some of the myths that Eisenhower-Benson propaganda is perpetuating. At that time, I indicated I had prepared 350 pages of supporting material in my text.

However, subsequent developments have led to the talk growing considerably in length. I have yielded to other Senators, and I am still far from finished, and far from running out of things that need to be said to protect the interests of American agriculture.

As I look at my prepared talk, it appears I probably would not be able to complete my remarks on Friday anyway,



so it is my intention to yield the floor tomorrow for some of my colleagues to join the fight until I return from a quick trip among the farmers of Minnesota.

Several thousand Minnesota farmers plan to gather Saturday night at Benson, Minn.—note the name—to protest what Secretary of Agriculture Benson is doing to them—and they have appealed to me to come home and tell them what is going on.

I intend to tell them what is going on, and ask them just what they think about the Eisenhower-Benson high pressure advertising and lobbying campaign.

Then I am coming back to the Senate to renew my fight, and let the rest of my colleagues know just how these farmers really feel.

I do not know whether there is any significance to the selection of Benson, Minn., for this mass meeting or not. But I guess they have picked the fine community of Benson to protest the reflection on its good name that has resulted from the disregard in which Secretary Benson is now held in our farming areas.

Mr. President, I want to make it clear that, like one of our great generals once said, I shall return.

Mr. President, I have just received some very interesting information about Braun & Co., which I mentioned earlier today.

When we were preparing these remarks earlier in the week, we checked very carefully. On Monday we found Braun & Co.'s special "Benson Office" downtown was open and in business.

Now, since my remarks today, I am informed that they have suddenly folded their tents and vanished.

By some coincidence, I understand the Republican National Committee now tells the press that this firm had only a 90-day contract, expiring this Tuesday—day before yesterday.

They never mentioned this 90-day contract before, in announcements about engaging the firm.

It seems they are ending the glamorizing job rather abruptly.

The man in charge has even suddenly left town, I am told by the press.

Well, I cannot help wondering if word had not reached the Republican headquarters that HUBERT HUMPHREY was making inquiries, at the Department of Justice and elsewhere—that we were doing a little investigating.

Or perhaps it was just concern about the new lobbying probe the Senate has authorized, for I have also just had it checked and find that Braun & Co., hired to represent Benson in his relations with Congress in connection with the new farm program, were not registered under the Lobbying Act.

Well, at least, perhaps we have done a service in letting people know about some of these goings-on. Perhaps they will be more careful about the next public-relations experts they engage.

I hope the Braun Co. enjoyed their 90-day stay in Washington. If it had not been for my statement, perhaps they could have remained on the payroll another week. I hope they do not think too unkindly of me. They knew last

week that we were checking their headquarters to see what they were doing, to see whether they were still continuing their public-relations program. In fact, they were doing business on Monday when we checked. But on Tuesday—I gather that it must have been in the middle of the night—they folded their tents and undoubtedly left for a sunny clime away out in the West.

#### ORDER FOR ADJOURNMENT

During the delivery of Mr. HUMPHREY's speech,

Mr. CLEMENTS. Mr. President, will the Senator yield for a unanimous consent request, with the understanding that he shall not lose the floor?

Mr. HUMPHREY. I yield with that understanding.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, the Senator from Kentucky will be recognized with that understanding.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand adjourned until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE CONSTITUTION AND INTEGRATION

During the delivery of Mr. HUMPHREY's speech,

Mr. JOHNSTON of South Carolina. Mr. President, moderation and restraint have been watchwords with me all my life. Respect for constituted authority and reverence for precedent are a fundamental part of my makeup. When there is a departure from any of these principles, I have always been quick to cry out against the dangers which lie in its wake.

One of the first things I learned as a young law student was a wholesome respect for legal precedent. What had the courts said in previous cases touching upon the same subject? How had the courts arrived at such a decision? What was the courts' reasoning? What were the principles involved? In connection with these principles and precedents we find in the law the Latin phrase "stare decisis," which means, in effect, to let the decision stand.

I do not intend today to reargue at length the monumental errors committed by the Supreme Court in its school integration decision of May 17, 1954. I do wish, however, to recall some fundamentals. I do wish to ask whether we, as a Nation, are going. I do wish to ask what has become of "States rights." What has become of the tenth amendment to the Constitution of the United States? Are its provisions lost?

With all the criticism now appearing in the press directed against the Vice President in recent days, none has successfully charged him with lacking in candor. To be sure, he was right in his recent Lincoln Day address in New York. To be sure, he was right when he said a great Republican Chief Justice directed the Supreme Court in its decision of May 17, 1954. Few lawyers will dissent from

the assertion that the decision on that day directing the integration in our public schools was a purely political one. The decision was not based on sound law. It was not based upon precedent or constitutional rights. The main precedent was psychological. The decision was a flagrant, direct appeal for the political favor of minority groups.

Let us for a moment take stock of the situation. Let us recall a little history. Let us realize—if we would but realize—what has made this country great, what has made it the envy of mankind everywhere. Why are there now millions of foreigners knocking at our immigration doors for admission to this country? The answer is, it is the way of life we have here.

Why are the minority groups in this country clamoring insistently to knock down all of our immigration barriers? The simple answer is that they want to afford their kith, kin, and friends the opportunities which the American way of life has to offer. We hear the hue and cry that the Reds are making propaganda out of our domestic laws and customs. Why should we as a nation be so concerned about what the Russians think of our way of life in the face of the demands of those fleeing from Russia and other despotic systems of government to enter our doors? Such arguments have never made very much impression on me.

A little historical background will be helpful. This Constitution of ours, which the Supreme Court in recent years has been stretching and expanding by leaps and bounds, would never have been adopted in 1787 had not the first 10 amendments been assured of adoption. There is not a lawyer hearing my words or reading them who is capable of denying this historical fact. The 10th amendment to our Constitution is as much a part of it as is the 14th amendment. The adoption of the 10th amendment was never under a cloud. It should be maintained as sacredly as any other provision. With the Supreme Court, as now constituted, and as its recent rulings demonstrate, the 10th amendment does not mean what it says.

We are a unique people. We have a unique government. We are unique in that our written Constitution has maintained us as a free government under a written constitution for the longest period of time in the history of man. The complete sovereignty of the United States is not alone in the Constitution of the United States. Our supreme sovereignty is in the people of the several States. When the people adopted the Constitution of the United States they surrendered part of their sovereignty. What they did not surrender, the specifically reserved to themselves. They reserved to themselves their sovereignty in a specific part of the Constitution. The 10th amendment so provides when it says:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The 10th amendment was ratified and became a part of the Constitution of the











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

March 5, 1956  
March 2, 1956  
84th-2nd, No. 37

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| Brucellosis.....10      | Labeling.....21            | Surplus property.....19 |
| Cargo preference.....4  | Lands.....17               | Taxation.....2,23       |
| Cooperatives.....20     | Legislative program.....11 | Timber.....5            |
| Dairy industry.....21   | Loans.....18               | Tobacco.....22          |
| Electrification.....20  | Mining.....5,14            | Transportation.....4    |
| Farm housing.....18     | Monopolies.....16          | Wheat.....7             |

HIGHLIGHTS; Senate continued debate on farm bill. Senate committee reported bill to relieve farmers from excise tax on gasoline. President signed measures to increase allotments on burley, Maryland, and fire-cured and dark air-cured tobaccos. Sen. Sparkman introduced and discussed bill to extend farm-housing program. House committee reported Labor-HEW and independent offices appropriations bill for 1957.

## SENATE

1. FARM PROGRAM. Continued debate on S. 3183, the farm bill. p. 3363  
Sens. Capehart, Welker, Anderson, Barrett (for himself and Sen. O'Mahoney), Clements (for himself and Sens. Barkley and Gore), and McCarthy submitted amendments intended to be proposed to the bill. p. 3331  
Sen. Green inserted a resolution from the Rhode Island Agricultural Conference dealing with a variety of agricultural problems. p. 3327
2. FARM TAXES. The Finance Committee reported with amendments H. R. 8780, to relieve farmers from excise taxes on gasoline and special fuels used on the farm (S. Rept. 1609). p. 3328
3. RECLAMATION. Senate conferees were appointed on S. 500, authorizing the construction and maintenance of the Colorado River storage project. p. 3354 (House conferees have not yet been appointed.)
4. TRANSPORTATION. Sen. Butler inserted a newspaper editorial critical of recent efforts to revise the Cargo Preference Act. p. 3331



5. NATURAL RESOURCES. Sen. Murray inserted a number of articles relating to the "giveaway" of our natural resources. p. 3334  
Sen. Neuberger criticized the Interior Department for its part in the Al Sarena timber case. p. 3361
6. PRICE SUPPORTS. Sen. Murray inserted a survey report indicating that a majority of the farmers voting in Hardin Co., Iowa, favor 90 percent price supports. p. 3343
7. WHEAT. Sen. Barkley inserted a Ky. Farm Bureau Federation telegram urging that Kentucky be designated in the pending farm bill as a commercial-wheat area. p. 3344
8. ADJOURNED until Mon., March 5. p. 3367

#### HOUSE

9. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 9720, the Labor-Health, Education, and Welfare Departments appropriation bill for 1957 (H. Rept. 1845), and H. R. 9739, the independent offices appropriation bill for 1957 (H. Rept. 1847). pp. 3368, 3390
10. SCHOOL MILK; BRUCELLOSIS. Received from the Cheese Producers' Marketing Association a resolution supporting H. R. 8320, providing additional funds for the school-milk and brucellosis eradication programs. p. 3391
11. LEGISLATIVE PROGRAM. The Acting Majority Leader, Rep. Albert, stated that on Mon., Mar. 5, the Consent Calendar would be called and the Labor-HEW appropriation bill would be considered; on Tues., Mar. 6, the Private Calendar would be called and the independent offices appropriation would be considered; and on Wed., Mar. 7, H. R. 2128, a patents extension bill, would be considered. p. 3370

#### ITEMS IN APPENDIX

12. FARM PROGRAM. Rep. King inserted a Fortune magazine article, "Farm Problem: 1956 Edition," and stated that "it seems to me to be an excellent analysis of the present farm problem." p. A1983  
Rep. Hoffman inserted letters from two constituents describing how they have managed to keep and operate their farms. p. A1998
13. RECLAMATION. Extension of remarks of Rep. Avery opposing the continued construction of Tuttle Creek Dam and stating that "it will inundate 5 towns." p. A1989  
Speech in the House of Rep. Hosmer stating that "...the repayment provisions of H. R. 3383 (the upper Colorado River storage project bill) as amended are unsound and unworkable and would not provide repayment as claimed." p. A2001
14. MINING. Rep. Hoffman inserted Raymond Moley's article stating that an examination of the record into the Al Sarena mining case convinces him that the course was fair and logical and that the decision to grant the patents was proper under the law. p. A1997
15. FISHERIES. Extension of remarks of Rep. Pelly urging consideration of his bill, H. R. 9700, to establish a national policy with respect to the management and rehabilitation of our fisheries resources. p. A1997



## AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. CLEMENTS. Mr. President, I do not intend to detain the Senate with a lengthy statement of my reasons for supporting the pending farm bill.

The American farmer does not need words. He has had plenty of them in the past 3 years. The American farmer does need action—firm, positive action to bring his income to reasonable levels.

Furthermore, the American farmer needs such action now, not 1 year from now or several years from now. Help in 1958 or in 1959 will do little for the American farmer in 1956. Unless something is done in 1956, we can say goodbye to farming as it has existed in our Republic since its beginning.

Mr. President, I believe time is the overriding factor in the consideration of farm legislation. It is one aspect which should be considered above all others.

I am a strong advocate of all realistic steps which will conserve our soil resources for future generations. We have witnessed the failure on the part of the people in many other areas, in many of the older countries on the globe, or we know of the failure of those who preceded them by generations, to give consideration to the conservation of their soil; and that failure on their part has brought about a condition whereby they cannot feed themselves.

I am firmly convinced of the need to spur research into production and marketing methods. I am acutely conscious that every step we take must be taken with our eyes upon the future.

But, Mr. President, the reason we are considering farm legislation now is that the farmer needs help now. If we forget that fact for a moment, the future is something that for him will never come.

Since January 1953, the Nation's agricultural policy has been based on the premise that farm prosperity is a goal that should be postponed to an indefinite and never clearly defined future.

We have faced farm crisis after farm crisis—in relation to wheat, beef cattle, cotton, and more lately, pork. In every case, the advice of the Agriculture Department to the suffering farmers has been to follow a course which can be simply paraphrased as "Hang on just a few years and if you survive, things will be a little better."

Fortunately, Mr. President, the great majority of our farmers have been able to survive. They are tough. They must be to get by under the regime of Ezra Taft Benson.

But human courage and human will-power stretch only so far. We are rapidly approaching the end of the trail—the point at which adequate assistance must come or the whole project be abandoned.

Let us consider for a moment the facts and figures—the statistics that spell approaching disaster.

In 1952—the year before this administration came into office—realized gross farm income was almost \$37 billion. In 1953—the first year of Ezra Taft Benson—that figure slumped to \$35 billion.

In 1954—after the present Secretary had really had a chance to take hold of the Department and put his policies into full effect—gross realized farm income fell to \$33 billion. In the third year of his regime, it went down another billion.

Mr. President, the cost of 3 years of the present farm policy has been a \$5 billion slump in the midst of a period which the administration claims to be one of unparalleled prosperity.

If the figures are pursued even further, the results are still the same—grim and foreboding.

In January of this year, the farmer received 27 percent less for the products of his toil than he got in the last year of the previous administration. But the prices he had to pay—in terms of interest, taxes, and wage rates—dropped only 2 percent during the same period.

I do not need to break these statistics down commodity by commodity. Every farmer knows that his prices have dropped. Every consumer knows that the cost of living has remained practically stationary.

The farmer has suffered—and practically nobody has gained. To continue such policies would put us in the classic case of the man who beat himself over the head with a hammer because it felt so good when he stopped.

Let us stop now before we, the Congress of the United States, have beaten the farmer into a state of insensibility.

When I say the Congress of the United States, I do not mean that it is Congress that has done it. It is actually those who have administered the laws which have been enacted by the Congress. I do not hesitate to say at this time that it would make little difference what legislation was passed; it would have to receive more sympathetic administration than the farm legislation on the statute books today in receiving at the hands of the present Secretary of Agriculture.

Let me make it clear that I am not blaming the present situation solely on the system of so-called flexible price supports so dearly beloved by the present Secretary. He has many other devices for lowering farm income and he has tried them all.

If the criterion of success is depressed farm income, his performance must be rated as the best since that of his Republican predecessors of the late 1920's.

Mr. President, I do not think it can be questioned that farmers throughout our country have come to look upon the present Agriculture Department as their enemy. It is a verdict which has been handed down in the wheat fields; among the small cattle producers; among our cotton and corn growers.

It is a verdict which has a certain poetic justice because it is a response to a similar verdict which this administration has promoted vigorously from the very beginning.

From the outset, this administration has looked upon the farmer as public enemy number one. And it is certainly not surprising that this feeling is reciprocated.

The basic theory upon which the present farm program has been operated is

that there are too many farmers. That philosophy was enunciated by Under Secretary of Agriculture, True D. Morse, as far back as April 24, 1953.

The Department proceeded to act upon that theory. It took steps to reduce the surplus of farmers by reducing the prospects of making a living income from farming. If the same energy and ingenuity had been used to reduce our surplus farm stocks, they would have long since vanished.

True D. Morse is not the only official of the Department who has put forth that theory. Need I recall Earl D. Butz, the Assistant Secretary of Agriculture, who said:

Agriculture is now big business. Too many people are trying to stay in agriculture that would do better some place else.

Those words, Mr. President, really let the cat out of the bag. This is an administration that wants farming to be "big business." It feels comfortable only when it is dealing with big business.

The administration wants farming to be big business. It feels comfortable only when it is dealing with big business. In the administration's view, a farmer who wants to be sturdy and independent, must be ruthlessly eliminated. He must move to the city, and his farm be consolidated with other farms, to be operated as a big business.

This is a process which can best be hastened by a simple device, namely, so-called flexible price supports. In reality, Mr. President, that term constitutes an open invitation to vicious price cutting, a return to the law of the jungle, whereby the small perish and the big and the strong survive.

In the pending bill we are confronted with an issue which is basic to our future. We can continue the so-called flexible price supports, a system which gives the farmers an umbrella and tells them they cannot open it when it rains, or we can return to the 90-percent concept, which assures the farmer of at least 90 percent of a fair price, when he meets certain acreage provisions which limit production.

I am glad to see on the floor of the Senate the distinguished chairman of the Committee on Agriculture and Forestry. No one in the Senate was more considerate of the Department of Agriculture than was the chairman of the committee in his effort to afford the present law every opportunity to function in the best interest of the farmer. After that opportunity had been provided, and it became apparent to everyone that it was not working in the best interest of the farmer, the chairman of the committee took the proper leadership.

He went from one end of the Nation to the other in order to talk to the farmers at the grass roots and get their viewpoint, regardless of the particular commodities they contributed to the agricultural economy.

From those long and extended hearings, the chairman of the committee became convinced that one of the important things that had to be done in the interest of the farmer was to return to



a higher support price for the commodities the farmer raised, particularly when his production was controlled.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. MORSE. I will say to the chairman of the committee that although he and I do not agree on all issues, as was demonstrated earlier today, I nevertheless wish to take this opportunity to commend him for the hearings the Senator from Kentucky has described. I refer to the hearings the chairman held in various parts of the country. The hearings held in the State of Oregon, as I have stated from platforms in Oregon and repeat today on the floor of the Senate, were a great educational seminar on agricultural problems, and were of much benefit not only to the farmers of my State but also to other groups, particularly businessmen.

I have heard a great many small-business men, particularly in the rural communities of Oregon, comment upon the information they gained as the result of the Ellender hearings in my State with respect to the loss of purchasing power on the part of the farmers.

I am very glad the Senator from Kentucky, in his agricultural speech today, has stated—as I shall at some length in my own speech next week—that what we are confronted with is the loss of purchasing power at the farm gates by hundreds of thousands of farmers.

That is why it is so important that the Senate pass the pending bill, with such amendments as we see fit to add to it, aimed at giving the farmer increased purchasing power now.

The soil bank will not give any increase in purchasing power now. It is a sound conservation program which we have advocated for a long time. We are glad the administration has been won over to it.

However, it must be remembered that it was as recently as last September that the administration sent to Congress an adverse report on the soil bank. As a Christian, I am always glad to see conversion come to a sinner.

Mr. CLEMENTS. I thank the distinguished Senator from Oregon for his observations with reference to the needs of the farmer, as well as for his comment on the fine service rendered by the distinguished Senator from Louisiana. No Senator is more dedicated to the interests of agriculture than the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am happy to yield.

Mr. ELLENDER. Of course, I am very happy to hear all these nice things being said about me.

As I pointed out during the course of the debate last week, the only provision in the pending bill which will give immediate relief to the farmers is the provision raising the level of price supports.

Since my remarks last week I had an estimate made of what the provision raising support levels for the basin commodities would mean to the farmers of

this Nation if the bill is passed in the form we have proposed it. In that event the farmers will obtain additionally a little more than \$850 million. That is the additional amount they would obtain under this 90 percent support provision. Eight hundred and fifty million dollars may not sound like a very large sum to people who spend a great deal of money, such as the amounts spent on the armed services. However, to the farmers of the Nation \$850 million might be the difference between a little prosperity and bankruptcy.

Mr. CLEMENTS. Mr. President, it is \$850 million more than will accrue to the farmers if the 90 percent provision in the bill is defeated.

Mr. ELLENDER. That, may I say to the Senator from Kentucky, will be accomplished without in any manner materially increasing the cost of living of the people of this country. As has been pointed out many times, in a loaf of bread which sells for 17 to 20 cents, there is about 3 cents worth of wheat. In the cotton shirt I am wearing there is about 25 cents worth of cotton. Therefore, the increased price supports for the basic commodities provided by the bill would have no effect whatever on the cost of living.

Mr. CLEMENTS. I am delighted to have the comment of the distinguished Senator from Louisiana with reference to the question of the cost of living, which might be in the minds of some people.

I should like further to commend the distinguished Senator from Louisiana by saying that unlike others who follow a different course in the field of agriculture and who are sponsoring a different philosophy than that sponsored by the distinguished chairman of the committee, in his support of higher rigid supports, under production controls, he has never stooped to the position of some who have tried to shift the effect of legislation to the shoulders of another segment of our economy.

No one knows better than does the distinguished chairman of the committee that except when labor receives a fair wage there is no satisfactory market for what the farmer produces. Certainly, there is no reason today, tomorrow, or any other day, to say we must have lower wages in order to benefit another segment of our economy.

Mr. MORSE. Mr. President, will the Senator from Kentucky yield at that point?

Mr. CLEMENTS. I shall be delighted to yield.

Mr. MORSE. With reference to what the Senator from Louisiana and the Senator from Kentucky have said about the cost of the program, I think we need to emphasize and reemphasize in this debate the cost of the program, because I do not have to tell the Senator from Kentucky that the consumers of the United States have had a propaganda job done on them. They have been told what is a complete untruth, namely, that the agricultural support program will cost too much money—

Mr. CLEMENTS. May I interrupt the Senator to make one observation?

Mr. MORSE. Certainly.

Mr. CLEMENTS. I would add that not only has misinformation been given, but, in my judgment, it was planned from the day it was started, and is still being disseminated according to the original plan.

Mr. MORSE. It is most unfair to the American people, because they are entitled at all times to have the facts presented to them, and it is most unfortunate that so many millions of our consumers now have the false notion that the agricultural support program has been instrumental in bringing about a very high cost of living, when the fact is that it has cost approximately \$2½ billion, averaging a little more than \$2 a year for each person in the United States. That is pretty low insurance, and it is to the benefit of the cash registers on the main streets of America.

I like to point out to chambers of commerce that in the last analysis the businessmen have been the primary benefactors of the effort to maintain a support program which has given the farmers a decent purchasing power.

We hear it said, "Oh, but it is only on certain basics."

There, again, we need to keep in mind the fact that one of the direct results of maintaining a support program on basics has been to maintain a higher price for nonbasics than otherwise would have prevailed if we did not have the basic support program.

Mr. CLEMENTS. And not only on basics, but on other commodities.

Mr. MORSE. That is correct. But immediately after the present administration came into office, the Secretary of Agriculture proceeded to use his discretionary power in regard to the commodities over which the Department of Agriculture had jurisdiction by lowering supports for them.

As I have said again and again, it is not true that the flexible program has not been in operation. The administration started putting it into operation on every commodity over which the Secretary had discretionary control. With the exception of wool—we stopped it in that instance by passing the wool bill—the Secretary has applied his flexible principle to every commodity over which he had jurisdiction. Two days before the state of the Union message this year he did it with reference to rice.

We are now getting statements from the Department of Commerce on commodity prices, but they have already hurt the farmer, and they have discovered it was not good political medicine they were feeding the American people, so they are going to try some new therapy.

I am fed up with a propaganda program which is resulting in misinforming the American people both as to the cost of the program in the bill for which we are fighting and as to which the Senator from Louisiana is doing such yeoman service, but the Secretary of Agriculture has been carrying on such propaganda ever since he has been in office.



Mr. CLEMENTS. I should like to make one observation to the Senator. Has there ever been a time when the Senator has heard from the lips of the Secretary of Agriculture, or from any of those associated with him, the true reason why the great bulk of the surplus was created? The Senator knows it was created as the result of the Korean conflict in 1950 and the years immediately following that year. But has the Senator from Oregon, who is one of the most observing Members of this body—there is no Member who seeks full information to a greater extent than does the Senator from Oregon—ever seen a single, solitary quotation attributed to the Secretary of Agriculture in which he gave the American people the facts as to what caused the surplus?

Mr. MORSE. No. It has been a shibboleth or a scare or fear argument. The Secretary has not talked in terms of need in relation to the surplus. In a period of 22 years the Government has spent approximately two and a third billion dollars to maintain a support program for agriculture, which, incidentally, is only a drop in the bucket compared with the subsidies which the Government has been paying to big business over the years.

I am always amused when I go before chambers of commerce and there is an open-forum discussion on the subsidy program, and I hear people representing certain industries saying something about the subsidy benefits other industries have been enjoying.

Where would business in this country be today if we did not have what amounts to a great surplus in the whole field of production? The military goods which we are producing by the hundreds of millions of dollars in order to keep this country secure are really surpluses. If we took off the subsidy this afternoon, what would happen to business? Business would realize the kind of support prices it has been getting and which have kept certain segments of business alive by way of military production which is surplus to the civilian economy.

When there comes a little recession or depression we have a surplus labor force. What is unemployment? It is surplus labor force. Consider the millions and millions of dollars we spend to solve the problem. It is a form of subsidy, but it is a justifiable subsidy.

Let me say that the farmer gets very little assistance by way of the surplus, but the Secretary of Agriculture should talk about the need for the surplus. He should put the surplus to work in accordance with the dietary needs of the American people, and there would then be not much of a surplus. But, again, statistics have shown that during this period the total surplus, percentagewise, has been very small according to what we have actually used, not according to what we needed to use.

I am for an agricultural program which will see to it that the people of this country who do not have the income to buy for themselves a balanced diet shall have a balanced diet.

That is one of the responsibilities of a government which believes in the general-welfare clause of the Constitution. It would result in the creation of great wealth which would reflect itself in the flow of increased tax dollars into the Treasury of the United States. We must have vision, statesmanship, and courage to solve the problem—not the retreating attitude of the Secretary of Agriculture, who, in my judgment, is following a course of action which cannot be reconciled with the highest moral principles the Government should follow in serving the people under the general-welfare clause.

I shall not remain silent in the Senate on any issue involving the farmers until my Government is willing to adopt a program which will recognize that our standard of living is dependent upon maintaining a surplus food supply. If a time ever comes when we have a break-even food supply, watch out for what will happen to America, because our standard of living is dependent upon maintaining a surplus food supply.

Mr. CLEMENTS. I am pleased that the Senator from Oregon referred to unemployment and the use of surplus food for people who are in need and those for whom the standard of living could be raised. I think there is no better area in which to observe the operation of the philosophy of the present Department of Agriculture than in that field.

The Senator from Oregon knows very well that there has been ample legislation on the statute books to go a long way toward directing commodity surpluses into areas of great need, provided the leadership and the vision existed in the Department of Agriculture.

I think it is well to state at this time that when an effort was made to process some of the surplus food which had not previously been processed, so that it could be used by the more unfortunate persons of this country, the effort to use both corn and wheat was consistently resisted by the Department. Only last year, under the leadership of the distinguished Senator from Louisiana [Mr. ELLENDER], was legislation enacted, which I thought was unnecessary, and I think some of the great lawyers in this body thought was unnecessary, providing authority which we believed was already vested in the Department. It was simply to make certain that the Department could not use lack of authority as an excuse that legislation was passed providing a reasonable sum of money to process both corn and wheat for the needy and thus enable them to raise their standard of living. I think that was the first time that was done.

I say this merely because of negative philosophy of the Department with respect to the use by the needy of commodities which are in surplus.

Mr. MORSE. I completely agree with the Senator from Kentucky.

Mr. ELLENDER. Mr. President, I should like to have the attention of my good friend from Oregon, if the Senator from Kentucky will yield for that purpose.

Mr. CLEMENTS. I yield to the Senator from Louisiana for that purpose.

Mr. ELLENDER. We have been discussing the cost of the price-support program. As the Senator from Oregon has correctly stated, from November 1933, to November 1955, the entire cost of supporting all the commodities, whether basics or nonbasics, was a little more than \$2½ billion. But we have now been speaking about basics. I was glad to hear the Senator from Oregon state that by keeping the price of basics up, it would have a healthy desired effect on the prices of nonbasics. What I wish to say to my good friend from Oregon is that I have cited the losses sustained by both basics and nonbasics. Now let us see what the picture is with respect to the basics, since some persons are concerned about placing price supports for them at 90 percent of parity.

The actual losses on basics from October 17, 1933, to November 30, 1955, a period of more than 22 years, was \$473,278,879. I merely wished to make that clear. That is the cost of the support program for the basics we are speaking of and I want everyone to note that its cost is only around an eighth of the total cost of the whole price-support program.

Mr. MORSE. I thank the Senator very much.

Mr. CLEMENTS. Mr. President, under the flexible system—the sliding scale that only slides down—the “big business” concept of agriculture will be fostered. Under the 90 percent concept, we will preserve a traditional way of life that has made us as a nation strong and great.

Frankly, I cannot look forward with any comfort to a system of agriculture dominated by “big business.” I do not like to think of an America in which consumers will be at the mercy of a few large “factory” farmers—capable of exerting all the weapons of monopoly against our people.

The issue before us involves the immediate need of our farmers for relief. But it also involves the long-range interest of all our people in a diversified agriculture.

The city consumer has been the subject of an unceasing propaganda barrage. He has been told that his interests lie in low farm income—in depressing the standards of the farmers and ranchers of this country.

But concealed behind that propaganda barrage is the long-run fact that he will soon be at the mercy of agricultural monopoly—unless we act and act now.

Mr. President, I do not question the integrity or the motives of the Secretary of Agriculture. My objections go to his philosophy—and it is a philosophy which is perfectly consistent with the philosophy of his party and his administration.

He appears to believe—quite sincerely—that “big business” is the way of the future. I do not question his right to advocate the policies that flow from his basic premise.

I do question his right to engage in playing the farmer against labor; the consumer against agriculture. I do question his right to try to divide our people by trying to convince them that one sec-



tion of our economy can be prosperous only at the expense of another.

We had that example in a stark and naked form recently when he told farmers that they could blame their troubles on labor. Personally, I think that such a philosophy leads us down the road to common misery for all. I wonder just how those words were taken in the Labor Department.

The results of his farm policy have already spilled over into other sections of our country.

I ask my colleagues to tour the small farms in their States, as has the distinguished chairman of the Committee on Agriculture and Forestry. Let them approach the merchants, the tradesmen, the farm-implement dealers. What will they say? They will say that the farmers are not buying, and they themselves are feeling the pinch.

Farm depression can start a chain reaction as dangerous as the atomic bomb. One part of our country cannot suffer without all suffering. That process is already in motion today.

Mr. President, I am not here to contend that the bill is perfect. In many respects it represents a compromise. In others it could be improved by amendment; and I am certain that many amendments will be offered, and certainly some will be adopted. Moreover, the bill may well be improved in a conference between the representatives of the two bodies.

One feature of the measure is, frankly, experimental. I am referring to the soil bank plan. When I say "experimental" I do not mean that the plan has not been in the minds of the people before, or that it has not been in operation before; I mean it has never been in operation to the extent which is contemplated by the language of the bill which is before the Senate today. The soil bank, in my judgment, will be productive of much good in the future, but it can do little to meet the problems of the immediate present.

As the chairman of the committee stated earlier, the one item of the bill which will be able to be felt in the pockets of the farmers at an early date is that which will provide higher support prices for the farmers.

Mr. ELLENDER. Mr. President, may I observe, if my friend will permit me—

Mr. CLEMENTS. I am pleased to yield to the distinguished chairman of the committee.

Mr. ELLENDER. All of this will come about without increasing the acreage. Let us not forget that.

Mr. CLEMENTS. That is correct.

Mr. ELLENDER. Whether there are in effect rigid price supports or flexible price supports, the Secretary of Agriculture will use the same law to determine the number of acres which will be planted; and the amounts which will be paid for price supports will have no effect on that. It is the supply which determines whether marketing quotas are in effect, not the price support level. Acreage allotments and marketing quotas will have to be imposed regardless of what support prices are for the basic commodities; and farmers will have

to keep within their acreage allotments whether price supports are at 90 percent or 75 percent of parity. Farmers will raise as much as they can on their allotted acres whether supports are at 90 or 75 percent of parity. The price support level will not make it possible for them to raise one additional bushel or one additional pound.

Mr. CLEMENTS. That is correct. The distinguished chairman of the committee is eminently correct.

Regardless of the imperfections of the measure, it is a farm bill which is designed to help the farmer. That is something that cannot be said of the measure which is now on the statute books. This is not a bill for big business, nor is it a bill to turn farming into big business. It is drawn to help people who need help, and ultimately to promote the prosperity of our country.

It is a bill to help ranchers, planters, dairymen, and all those who make their living, directly or indirectly, from the soil. Furthermore, it is founded upon a basic concept which, regardless of its critics, has worked well in the past—a floor at 90 percent of a fair price, and under rigid acreage controls.

The criticisms of the 90 percent concept appear to be wide of the mark. It is a concept that is workable where commodities are controllable and storable. It has worked well in the case of tobacco, a product which is basic. It is basic and is of great importance in the State which I have the honor in part to represent.

In passing, I think it is fair to say that up to this date the Federal Government has not been out one dime on the tobacco program, and that program has been operating for many years.

The choice before us is clear. We can return to 90 percent price supports and bolster a way of life that is dear to us all, or we can continue the sliding scale and resign ourselves to a future of factory farming and big business.

Mr. President, I have never been opposed to big business merely just because it is big, but I believe that the day when our agriculture is merely another belt-line enterprise will be a day every friend of the farmer will regret.

We can, if we wish, delude ourselves with the concept that the sliding scale will rid us of our surpluses. We can, if we wish, delude ourselves with the idea that the so-called flexible supports will bring agriculture and industry into balance. Every fact and every statistic, in my judgment, contradicts both ideas, but facts and statistics are frequently ignored.

We cannot tell ourselves that the sliding scale will lead anywhere except to misery for farming as we have known it heretofore. I do not believe we could do any greater disservice to our country than to continue the legislation which is now on the statute books.

Mr. President, out of order, I send two amendments to the desk, and ask that they be printed and lie on the table.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The amendments will be received and printed, and will lie on the table.

## ORDER FOR RECESS TO MONDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. McCARTHY. Mr. President, I send to the desk an amendment to S. 3183, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. McCARTHY. Mr. President, I am offering an amendment to S. 3183 which will have the effect of making a 90 percent support price for dairy products mandatory, thus putting dairy products on a par with the basic commodities. My amendment would substitute a 90-percent floor on supports for dairy prices, in place of the 80 to 90 percent discretionary range, stipulated in section 105 of the bill.

As regards general farm policy, I continue to believe that fixed price supports for farm commodities are desirable, until such time as just and sensible steps are taken to bring farm production into line with consumption of farm products. I have always felt that President Eisenhower was right when he said in Kasson, Minn., on September 6, 1952, that 90 percent price supports are in the nature of a moral and legal commitment which must be upheld. Over the past 15 years the farm community has been encouraged to commit maximum manpower, maximum natural resources, maximum plant and machinery, toward the objective of maximum production. Farmers have made these long-range commitments on their understanding that the Government would see to it that whatever they produced would be bought at fair prices. In legal terminology, there has been something akin to action in reliance on the part of the farmer. It seems to me that when the Government suddenly yanks out the rug, and thus defeats the farmer's expectations, it is, in effect, repudiating a moral contract with the farm community.

But enough, for the moment, of the philosophy behind fixed price supports. A majority of the members of the Senate Committee on Agriculture and Forestry appear to agree with me on the philosophy, since they provided, in Senate bill 3183, for 90 percent fixed price supports on basic commodities.

What is utterly baffling to me is that the members of the committee should have decided that producers of corn, cotton, tobacco, milling wheat, and so forth, are entitled to mandatory 90 percent supports, but that producers of dairy commodities are not. Why the discrimination against dairy farmers? Certainly such discrimination cannot be justified by comparing how, let us say,



corn producers have fared under the Benson flexible-support policy with how milk producers have fared under that policy. The Benson policies, to be sure, have had a disastrous effect on the net income of the producers of basic commodities; all of us know this to be a fact, and our source is nothing less than the statistics furnished by Mr. Benson's department. But the Benson flexible-support policy has had the same kind of effect on the income of dairy farmers.

In April 1954, Secretary Benson decided to reduce the support price for dairy products to 75 percent of parity. Mr. President, let me give you an idea of the effect that decision had on the income of Wisconsin farmers, who are, primarily, dairy farmers. In 1953, with a 90 percent support price, the average farm family in eastern Wisconsin earned \$3,760 net. In 1954, with the Benson low supports in effect, the average farm family in eastern Wisconsin earned \$3,321, net—or a drop of 11 percent. In the same period the net income of the average western Wisconsin farmer dropped from \$3,159 to \$2,494—or a decrease of 21 percent. I have been unable to obtain 1955 statistics from the Department of Agriculture, but my understanding is that the same situation prevailed last year.

Tentative cash-receipt figures for 1955 are available. Although they indicate a slight rise in receipts, the dairy farmer's net income picture is no less dreary. The gross-receipts figures indicate only that the volume of production has increased, while prices have stayed low. The dairy farmer continues to suffer because his unit cost of production has stayed at the same level or has gone up. I may say, in this connection, that the Benson theory that lower price supports would decrease production has been proved false: just the opposite has occurred.

If it is true that the tragic consequences of Secretary Benson's policies are being shared by the dairy farmers—and I assure you, Mr. President, that every dairy farmer knows this to be true—then why do we deliberately single out dairy farmers as a group that deserves only half-way rehabilitation measures? I say that the effect of Senate bill 3183, as it now stands, is to treat dairy farmers as though they were second-class citizens in the farm community.

Let me address just a word to Senators who have declared themselves opposed to fixed price supports. I hope they will vote to amend Senate bill 3183 in accordance with the amendment I am recommending—if only for the reason that it would put dairy farmers on a par with other farmers. Senators then could vote fixed price supports either

up or down, as they may choose; but at least they would not be a party to the present discrimination against the dairy farmer. Regardless of whether we have fixed supports, or flexible supports, or no supports, it seems to me that all farmers are entitled to the same treatment by the National Government.

I may add that the 80 percent floor applying to supports for dairy commodities, for which Senate bill 3183 now provides, is a sure guaranty that dairy prices will be supported at no higher than 80 percent of parity. Secretary Benson is now supporting dairy prices at 75 percent of parity, the minimum allowed by law; and thus he appears determined to support dairy prices at as low a level as he can get away with.

Mr. President, I am not unaware, of course, that the storage of dairy surpluses presents a special problem that does not arise in the case of nonperishable commodities. But I am also aware that the Agriculture Department is, right now, extremely slow in filling applications for dairy surpluses from charitable institutions. If these orders were filled promptly, the problem of dairy surpluses would not be as pressing as it is today. Nor do I think that the Agriculture Department has done all it might do by way of encouraging hospitals, homes for the old and needy, and other charitable institutions, to help unload dairy surpluses. The demand for butter, for example—especially among the needy—is relatively elastic. Thus, if the Department adopted more liberal policies as regards the allotment of dairy surpluses to charitable institutions, we would find that more dairy products would be consumed by the needy, without affecting the market price.

Also, it seems to me that we have not adequately exploited the opportunities for supplying our friends abroad with our excess dairy commodities. The sorely tried people of Korea, for example, would dearly like to consume dairy products that are surplus in the United States.

Mr. President, all of us recognize that the basic problem in the farm situation is the discrepancy between the present production potential and domestic consumption. This discrepancy was created many years ago by Government policies which, to meet our wartime needs, encouraged farmers to commit their resources to greater production than could be consumed domestically. I think steps must be taken to reduce the production-consumption gap; but I do not believe the whole burden of this agonizing readjustment should fall on the farmer. I think the farmer is entitled to continue to receive his fair share of the national income until there are evolved policies

which will cause the burden of the needed agricultural adjustment to fall equally on all segments of our population.

As regards the amendment I am offering, I do not think it is fair or wise to try to alleviate the suffering of some farmers, and to leave others in a state of critical depression. Under our Constitution and under the American tradition, all our citizens deserve the equal protection of our laws. This, I submit includes dairy farmers.

#### ORDER FOR RECOGNITION OF SENATOR ANDERSON ON MONDAY

Mr. CLEMENTS. Mr. President, the distinguished Senator from New Mexico [Mr. ANDERSON], who is a member of the Committee on Agriculture and Forestry, has had some difficulty in arranging his schedule so that he can make comments on the pending measure. I ask unanimous consent that at the conclusion of the morning business on Monday, the Senator from New Mexico [Mr. ANDERSON] shall have the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request that when the Senate reconvenes on Monday next, at the conclusion of morning business the Senator from New Mexico shall have the floor?

The Chair hears no objection, and it is so ordered.

#### RECESS TO MONDAY

Mr. ELLENDER. Mr. President, I think that concludes the business of the Senate for today.

In pursuance of the order heretofore agreed to, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, March 5, 1956, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate March 2, 1956:

##### UNITED STATES ATTORNEY

William L. Longshore, of Alabama, to be United States attorney for the northern district of Alabama for a term of 4 years, vice Frank M. Johnson, Jr., elevated.

#### CONFIRMATION

Executive nomination confirmed by the Senate March 2, 1956:

##### UNITED STATES COAST GUARD

Capt. Ira E. Eskridge for promotion to the permanent rank of rear admiral, United States Coast Guard, effective February 1, 1956.



# House of Representatives

FRIDAY, MARCH 2, 1956

The House met at 12 o'clock noon.  
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, inspire us to discharge the duties and responsibilities of this day with minds that are graciously illumined by Thy divine wisdom and the light of Thy presence.

Confirm us in the faith that Thou wilt not leave us to depend upon our own finite understanding and the limitations of our human weaknesses or the expediciencies and counsels of men.

Grant that we may never be troubled with doubts and fears concerning the morrow for Thou wilt always keep us in perfect peace if our minds and hearts are stayed on Thee.

May the revelations of Thy sustaining grace make us strong and valiant for truth and righteousness and fill us with the glad assurance that a blessed day is coming when the hatreds among men shall be changed into love and their enmities shall be supplanted by the spirit of good will.

Hear us in Christ's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, FISCAL YEAR 1957

Mr. FOGARTY, from the Committee on Appropriations, reported the bill (H. R. 9720) making appropriations for the Departments of Labor and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1957, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

## INDEPENDENT OFFICES APPROPRIATION BILL, FISCAL YEAR 1957

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tonight to file a report on the independent offices appropriation bill for 1957.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PHILLIPS reserved all points of order on the bill.

## COMMITTEE ON GOVERNMENT OPERATIONS

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 356) and ask for its immediate consideration.

I serve notice that at the proper time I shall offer an amendment.

The Clerk read the resolution, as follows:

*Resolved*, That the further expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed \$625,000, including expenditures for employment of experts, special counsel, and clerical, stenographic, and other assistants, which shall be available for expenses incurred by said committee or subcommittees within and without the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee and approved by the Committee on House Administration.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

Mr. BURLESON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: On page 1, line 4, strike out "\$625,000" and insert in lieu thereof "\$500,000."

Mr. OLIVER P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. May I inquire as to the gentleman's purpose in asking me to yield?

Mr. OLIVER P. BOLTON. As a member of the committee, I wish to comment on the resolution as amended.

Mr. BURLESON. The gentleman does not wish to offer an amendment or oppose the amendment offered?

Mr. OLIVER P. BOLTON. No; I do not.

Mr. BURLESON. I shall be glad to yield to the gentleman from Ohio.

The SPEAKER pro tempore. How much time does the gentleman yield?

Mr. BURLESON. If I yield the gentleman a specific amount of time, I assume I lose control of the time.

The SPEAKER pro tempore. The gentleman from Texas will not lose the floor. He reserves the balance of his time.

Mr. BURLESON. I do reserve the balance of my time, Mr. Speaker.

Mr. OLIVER P. BOLTON. The gentleman from Ohio has no intention of trying to take the time away. It is merely that I would like to make some comments on this resolution.

Mr. BURLESON. How much time would the gentleman like?

Mr. OLIVER P. BOLTON. Approximately 5 minutes.

Mr. BURLESON. I am glad to yield the gentleman 10 minutes, Mr. Speaker.

Mr. OLIVER P. BOLTON. Mr. Speaker, I have asked for this time this afternoon to comment not only upon the amount requested by the Committee on Government Operations for its work during the remainder of this session of Congress, but also upon the broad question of the scope of the activities of the various committees of the House of Representatives.

It has been my privilege to serve on the Subcommittee on Accounts of the House Administration Committee during my two terms in the House of Representatives—under Republican leadership in the 83d Congress and under Democrat leadership in this Congress. I should like to pause at this point to pay tribute to the chairmen of these subcommittees, our former colleague, the Honorable C. W. (Runt) Bishop in the 83d Congress, and in this session the Honorable SAMUEL N. FRIEDEL. I would like to pay special tribute to Mr. FRIEDEL because of the fair and impartial manner in which he has conducted committee meetings this year, for he has had a particularly tough job. He has demonstrated in every way his desire to cooperate in all matters with those of us, his fellow committee members on both sides of the aisle, who did not always see eye to eye with him or with the position of the committee requesting funds.

Under the rules of the House, as you know, Mr. Speaker, the Subcommittee on Accounts is called upon to pass upon requests for funds by other committees of the House. To be perfectly frank, the rules place the Accounts Subcommittee in an almost impossible situation in that its members are asked to pass upon requests for funds from their colleagues who are merely trying to carry out a job which they feel is required of them under the House rules. In short, the Accounts Subcommittee is asked to judge the merits of the requests of our colleagues for funds without providing us with any real standards upon which to base that judgment.

Let me use the House Select Committee on Small Business as an example of the point I am attempting to make. In the 80th Congress, this committee was authorized \$130,000 to carry on its work, and it returned a little over \$2,250 at the end of the biennium. Just two Congresses later, in the 82d Congress, that committee was authorized \$260,000, double the funds used 4 years earlier, and it returned slightly less than \$38,000











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

March 6, 1956  
March 5, 1956  
84th-2nd, No. 38

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HIGHLIGHTS; Senate continued debate on farm bill. House passed bill increasing quotas and allotments on 1956 durum wheat crop. House passed Labor-HEW appropriation bill for 1957. House subcommittee ordered reported bills increasing 1956 cotton acreage allotments and authorizing Secretary to make payments to cotton producers who have complied with acreage allotments in 1954-6. Sens. Potter and Thye defended REA Administrator against recent criticism. Sen. Kennedy introduced and discussed bill to simplify accounting and facilitate payment of obligations. Reps. Vursell and Hoffman discussed administration's farm program.

## SENATE

1. FARM PROGRAM. Continued debate on S. 3183, the farm bill. pp. 3408, 3441  
Sens. Williams, Anderson, Murray (for himself and Sen. Kefauver), Murray (for Sen. Kefauver), and Capehart submitted amendments intended to be proposed to the bill. pp. 3399, 3416
2. ELECTRIFICATION. Sens. Potter and Thye defended the Administrator of REA against recent charges of his alleged attempt to influence members of the resolutions committee of the National Rural Electric Cooperative Association. pp. 3400, 3440
3. INFORMATION. Sen. Bridges defended the record of Braum & Co., a public-relations firm, and inserted a statement from the company concerning its past associations with the Government in publicizing matters relating to agriculture. p. 3400
4. FOREIGN AFFAIRS. Received from the International Cooperation Administration reports on "Soviet Bloc Economic Activities in the Free World," for the second half of 1954, and "Soviet Deterrents to Increased Foreign Trade," for the first half of 1955; to Foreign Relations Committee. p. 3393  
The Judiciary Committee ordered reported with an amendment in the nature of a substitute, S. J. Res. 1, proposing an amendment to the Constitution



relating to the legal effect of certain treaties and other international agreements. p. D194

5. PUBLIC LANDS. Sen. Malone discussed the trend of withdrawals of public lands for public purposes in the Western States, and inserted numerous letters and articles on the subject. p. 3441
6. NATURAL RESOURCES. Sen. Goldwater defended the Secretary of the Interior against "giveaway" charges, and inserted a letter from the Secretary and a statement on the matter. p. 3405

#### HOUSE

7. APPROPRIATIONS. Passed with amendment H. R. 9720, the Labor-HEW appropriation bill for 1957. p. 3462 The bill includes funds for unemployment compensation for Federal employees, Mexican farm-labor program, Employees' Compensation Act, further endowment of colleges of agriculture and the mechanic arts, Food and Drug Administration, etc.

As reported, H. R. 9739, the independent offices appropriation bill, includes funds for the Civil Service Commission, Federal Civil Defense Administration; General Accounting Office, General Services Administration; National Science Foundation; Selective Service System, etc. The bill also contains a new provision prohibiting the use of any appropriations for establishing an age requirement for employment in the competitive civil service, or for making effective any requirement for mandatory retirement solely because of age, or for making permanent appointments to persons who have reached 70 years of age. In addition, the bill includes authority for 10 additional supergrades in GSA.

Regarding space management, the committee report on the independent offices bill states as follows: "It has come to the Committee's attention that space is not being utilized to the best advantage not only in Government-owned buildings but in leased space in buildings in various cities. The Committee realizes that the General Services Administration is responsible for the efficient use of rented space as well as space the Government owns, and at the same time is at a disadvantage because it has no authority to enforce its judgment against that of any other agency, regardless of how flagrant the waste may be. It is proposed that the General Services Administration pursue a more active program in 1957 in the space utilization program. To strengthen the General Services Administration hand in the better utilization of space the Committee will consider the use of limitations on the use of funds to be spent on Government-owned or rented space."

8. WHEAT. Passed without amendment S. 2884, to increase the 1956 durum wheat acreage allotments and marketing quotas in certain States. p. 3460. This bill is now ready for the President.
9. COTTON. The Cotton Subcommittee of the Agriculture Committee ordered reported to the full committee H. R. 8262, to provide for an increase in cotton acreage allotments for 1956 crop; and H. R. 9703, to authorize the Secretary to make payments to producers of cotton who have complied with acreage allotment programs for 1954, 1955, and 1956. p. D195
10. LANDS. At the request of Rep. Aspinall, passed over H. R. 6815, to provide for the orderly disposition of certain Title III lands acquired under the Bankhead-Jones Farm Tenant Act. p. 3458  
Passed as reported S. 1529, to provide for a revision of the boundaries of the Theodore Roosevelt National Memorial Park, N. Dak. p. 3459

11. FARM-CITY WEEK. At the request of Rep. Aspinall, passed over H. J. Res. 317, to designate the last week in October of each year as National Farm-City Week. p. 3458



icular reference to oil and gas leasing in wildlife refuges.

The gentlemen who signed the telegram charge that Secretary McKay has made persistent efforts to foster the exploitation and destruction of our national parks, forest, and wildlife refuges.

But, as Secretary McKay makes clear, they offer only one solitary piece of evidence to support this sweeping charge. And, Mr. President, that particular piece of evidence turns out to be completely baseless.

I have read with care Secretary McKay's detailed statement of the law and the facts about the policies of his Department regarding the issuance of oil and gas leases on wildlife. I suggest my colleagues do the same. The Secretary's letter makes crystal clear that he is carrying out in every respect the intent of Congress when it passed the laws which govern these matters.

Quite recently newspapers all over this country reprinted an editorial of the Laredo Times of Texas which described Secretary McKay as one of our greatest Secretaries of the Interior. Mr. President, I want to join today in endorsing that statement. Douglas McKay is doing an outstanding job and he deserves the heartfelt thanks of all Americans who are concerned with the wise conservation and sound development of our country's natural resources.

Under ordinary circumstances, it would therefore be disturbing to find individuals, describing themselves as Republicans, asking that the President remove this official from office.

In this case, however, it is not disturbing at all since the individuals in question are a mightily peculiar breed of Republicans if, indeed, they be Republicans at all. Certainly, their unwarranted charges in this instance have a distinct ring of the official New Deal campaign line.

And they have cast a grave shadow over every sportsman and sincere conservationist in the country by their resort to crude political methods in dealing with a subject which is not political in any sense and should be kept beyond the realm of partisan politics for the greatest good of all.

Here is the arrogant threat which they have served on the President of the United States:

"We don't like McKay. Because we don't like him, you must fire him. If you don't do our bidding, we will bring about the defeat of the Republican Party, regardless of candidate, in the next election."

These four individuals, who call themselves Republicans, threaten single-handedly to bring about the defeat of the Republican Party at the next election unless the President of the United States immediately does as they direct.

Who are these political wizards? I do not know them. Perhaps the distinguished Senator from Minnesota, who has suddenly become solicitous of the welfare of the Republican Party, knows them. He introduced their telegram into the Record. He has been kind enough to warn us Republicans of the tremendous vote-manipulating power of these friends of his. I suspect that the Senator from Minnesota has really not changed his viewpoint or the philosophy for which he is well known in this chamber. As far as I know, he still plans to work for the election of a Democrat candidate. I suspect, therefore, he may have had his tongue in his cheek when he joined the authors of this telegram in warning the Republican Party as to what it would have to do, if it wants to win the next election.

The junior Senator from Minnesota has come here on the floor of the Senate bearing gifts but not gifts that we Republicans want to accept. And I don't think we are

going to accept his kind words of political advice now, either.

These Republican friends of the Senator from Minnesota are not pikers. They promise to defeat the Republican Party—regardless of candidate. They don't care whom we run. They don't care, I presume, whom the Democrats run. They don't care about the issues. Their vote is for sale—for the price of firing McKay. It's as simple as that.

I don't know whether the Senator from Minnesota is going to take my advice any more than I am going to take his, but I suggest to him that he introduce his friends to the Democrat National Committee. Imagine how Paul Butler would welcome these men on his staff. He could get rid of Clayton Fritchey and the rest of his expensive propaganda machinery. He could junk the Democrat Digest. If he would simply turn the campaign over to these friends of the Senator from Minnesota, his worries would be over.

If the Senator from Minnesota doubts my word about this, let me read the proof that these friends of his offer the President of the United States to prove their awesome political power. Let me read from the telegram the Senator from Minnesota introduced into the Record:

"If you question our ability to muster votes for conservation, witness the defeat of amendment 7 in New York State last November by a majority of over 2 to 1, despite the efforts of politicians and selfish interests over a period of 30 years. It took us only 6 weeks to do that—we have 36 weeks to organize the 40 million purchasers of hunting and fishing licenses in the United States."

There you have it.

I rise to the defense of the sportsmen and conservationists of this country. They are not going to be led meekly to the polls by a group of disgruntled individuals masquerading as conservationists. I know thousands of sportsmen and conservationists. They are fine people. They are good citizens. Before they cast their votes they want the facts. They want to hear from many others besides a few who are quick to assess blame and loud in demanding redress of an imagined grievance before they have heard the whole story.

Incidents such as this lead me to suggest to my conservationist friends that they bear in mind in the months to come that this is an election year.

We have had ample warnings by now of the lengths to which the foes of the Eisenhower administration are willing to go in their frantic efforts to achieve their ends.

The devotion and the enthusiasm of conservationists for their cause makes them the natural objects of New Deal inflammatory propaganda. Reckless charges calculated to arouse their apprehension over the handling of our natural resources have been made in the past and, I am sure, will continue to be made in the future.

But I am confident that the many sincere conservationists throughout the country will resist all such attempts to use them and the great cause they represent for brazen political purposes.

They are going to get the facts, Mr. President, and they are going to weigh them carefully, and then they are going to vote for a Republican President, just as they did in 1952.

And as they do, I am sure they will be aware of the patient and untiring efforts of Secretary Douglas McKay to carry out the many responsibilities of his office in the face of a vicious and calculated smear campaign based on sly innuendo, misrepresentation and half-truths, or no truth at all.

They will be aware, for example, of the great new program for the development of

the national parks, which was prepared under his direction and transmitted to Congress with the full endorsement of the President.

The program, known as Mission 66, will cost approximately \$124 million during the next 10 years. It is designed to equip the parks to handle 80 million visitors by 1966.

One of the first acts of this administration, insofar as our national parks are concerned, was to reverse the 15-year trend of neglect which was touched off by World War II and prolonged by the Korean conflict.

Today, under the administration of Secretary McKay, the national park system is larger, more adequately staffed, and more efficiently administered than it ever has been.

Since this administration entered office in January 1953, more than 130,000 acres have been added to the park system. The Park Service currently is operating on a budget approximately 40 percent higher than when this administration came into office.

Mention of this administration's record in the field of conservation would not be complete without calling attention to the manner in which the integrity of the park system has been protected under Secretary McKay.

For example, the Department rejected efforts to obtain permits to build tramways at Mount Rainier National Park, Rocky Mountain National Park, Crater Lake National Park, and Grand Canyon National Park.

The Department has rejected efforts to modify the newly extended boundaries of Olympic National Park.

The Department has rejected efforts to open Joshua Tree National Monument to mineral prospecting and mining, or to abolish it altogether. Protection of this area was strengthened when 10,000 acres inside the monument boundaries were acquired in exchange for 10,000 acres of federally owned grazing land outside the monument.

Negotiations with the Department of the Navy resulted in withdrawal of a proposal to use a considerable portion of Death Valley National Monument as an aerial gunnery range.

I believe that Mission 66 will prove to be the finest contribution to national parks since the Service was established in 1916.

The Department has also established 8 new wildlife refuges, and 3 more are in the process of being established. During the last fiscal year wildlife refuges received the largest allocation of funds ever made for acquisition, development, and maintenance.

Since this administration took office, nearly 80,000 additional acres have been acquired for wildlife preservation through purchase, lease, or transfer of federally owned lands.

Under this administration, Federal wildlife refuges have been established for the first time in Kansas and Colorado. New lands have been added to the Federal refuge program in Louisiana, North Dakota, Kentucky, Tennessee, South Carolina, Texas, Washington, Florida, Maine, Oregon, Idaho, Michigan, and New York.

In the 6 years preceding this administration, 36 wildlife refuges were abolished. The total Federal wildlife reserves were reduced by 408,527 acres during that period.

These are only a few of the facts of record regarding the work and achievements of Secretary McKay and the Interior Department in protecting our most precious heritage, the natural resources of this country. They are worthy of the attention of all members of the conservation movement and I know that when the facts have been studied, the true story will begin to emerge of how a courageous public servant has struggled to fulfill the responsibilities of his office, too often receiving smear and slander as his only reward.



# THE STATUS OF FORCES TREATY— AMERICANS SUBJECT TO FOREIGN LAWS NOT COMPATIBLE WITH UNITED STATES

Mr. MALONE. Mr. President, an editorial in the Washington Post and Times Herald of this morning brings to mind a very important treaty, a treaty which vitally affects the welfare of many of our people, especially those in the Armed Forces.

## GI TRIED IN FOREIGN COUNTRY

That treaty is the Status of Forces Treaty which provides that a member of our Armed Forces who is charged with a crime in a foreign country must be tried under the laws of that country where the crime is alleged to have been committed.

This treaty has been condemned by many patriotic organizations and thoughtful persons in the United States, including the American Legion, the Veterans of Foreign Wars, the Daughters of the American Revolution, the Business and Professional Women, and many others.

Under this treaty, if a GI commits a crime in one of the Middle East countries, he may have his hand amputated for stealing a loaf of bread, for example.

## THE EDITORIAL

The editorial is entitled "Mr. Bow's Curved Ball." It reads in part as follows:

A dangerous move to undermine the North Atlantic Alliance is underway in the House of Representatives. Under the pretense of protecting the rights of American armed personnel abroad, Representative Bow and a number of his colleagues are pushing a resolution that would direct the President to denounce or revise the Status of Forces Treaty. Success for this venture would leave NATO in a condition of uncertainty that it might not be able to survive.

## NATO: THE ATLANTIC TREATY

NATO never was in a position to survive. It was stillborn, because it guaranteed something which all the power of the United States cannot guarantee, that is, the status quo and the integrity of the colonial slavery system throughout the world.

How does it do that? Through our guaranty to go to war when the empire-minded nations of Europe, England, France, the Netherlands, and Belgium are at war. We have no control over how they get into war. How are they going to get into war? As has been amply demonstrated during the life of the treaty, by defending their colonial slavery system.

We broke away from England's colonial slavery system in 1776—the first break in the system. Yet we agree to assist holding other nations under the system.

This treaty is very dangerous to the welfare of the United States and to its citizens in our Armed Forces.

## AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from New Mexico [Mr. ANDERSON] is entitled to the floor.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. Mr. President, the senior Senator from Montana [Mr. MURRAY] has asked me to yield to him for 20 or 25 minutes. If there is no objection on the part of the acting majority leader, I am happy to yield to the Senator from Montana for 25 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. THYE. Mr. President, I do not wish to object, but before the Senator from Montana proceeds I should like to inform the acting majority leader that it is my intention to speak on the farm bill tomorrow. I give notice that I intend to speak on the bill tomorrow.

Mr. THYE subsequently said: Mr. President, I ask unanimous consent that I may be permitted to have the floor tomorrow following the conclusion of the morning business, to make an address on the farm question.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there objection to the request of the Senator from New Mexico that he be permitted to yield to the Senator from Montana for 25 minutes? The Chair hears none, and the Senator from Montana is recognized.

Mr. MURRAY. Mr. President, I rise to discuss the Agricultural Act of 1956.

There are involved in any discussion of the farm bill extremely important issues beyond the field of agriculture itself.

The action taken by Congress on this measure will affect the national economy, from small town main streets to major industrial centers. It will establish precedents in the field of resources conservation. It can have a marked effect on our international relationships, and our efforts to establish peace throughout the world.

In our consideration of this measure, therefore, we need to bear in mind, in addition to the serious economic plight of the farmers, the effect that a continued agricultural depression can have on our national economy. We need to examine the sort of resources conservation policy we are establishing. And we need to measure the effect which either surplus dumping, or excessive restriction of our food production, may have on our foreign policy in a hungry world.

Although I shall support a number of amendments, I regard the bill reported by the Committee on Agriculture and Forestry greatly superior to the proposals made to it by the Secretary of Agriculture for the administration. The administration proposals did not provide any real net additions to farm income. Our committee, by restoring 90-percent supports and dual parity, has provided for some additional net to farmers and I congratulate them for it.

## ECONOMIC ASPECTS OF THE FARM SITUATION

There is a great deal of evidence that the present deflation of farmers, and the effort to keep farm prices low regardless of consequences in agriculture, is a deliberate and positive part of overall administration economic policy.

Political capital was made in the summer and fall of 1952—although price indexes had been stable then for many

months—about inflation and 50-cent dollars. Campaign promises were made that inflation would be stopped and the purchasing power of the dollar would be stabilized.

In the spring of 1953, the Senator from Oregon [Mr. MORSE] in one of his reports for the now nonexistent Independent Party, warned us that deliberate deflation of agriculture could be expected.

The Senator called our attention to a study that had just been issued by the New York Clearing House Association, composed of the New York banks which were providing key officials for the new administration. The study was entitled "The Federal Reserve Reexamined." This elaborately printed study came to this conclusion:

The major challenge . . . is the problem of resisting those forces tending to debase the value of money and combating them effectively whenever they are in the ascendant.

The study listed as "more important" inflationary factors—factors that had to be fought—Government spending and debt, loan programs, the full employment goal, demands of labor for wage increases in excess of productivity gains and "support of agricultural prices at high parity levels."

This study was a blueprint of the hard-money policy which the administration instituted in its early months. Interest rates were increased both on what the Government borrowed and on the Government lending programs, including housing loans and agricultural credit programs. In March and April 1953, a slide in farm product prices was started. The Commodity Credit Corporation reduced the price on one of its large feed holdings, cottonseed meal, from \$80 per ton to \$57 per ton. This caused the market price of this important feed ingredient to break \$10 per ton in the Memphis, Tenn., market during the week of April 16, 1953. The Commodity Credit Corporation sold more than 700,000 tons of this meal, thereby weakening the prices of other oilmeals and feed. This was the beginning of the deliberately induced slide of farm prices, which has been kept going by reduction of dairy price supports, reduction of the various feed and oilmeal price supports, and, finally, reduction of the supports of basic commodities, which were held to 90 percent of parity through 1954 by the farm law.

The record does not bear out the contentions that the "sliding scale" did not become effective until 1955. The slide started on nonbasic commodities with the cottonseed meal deals of 1953. The low price policy for agriculture has been pursued since early 1953.

The drastic monetary and fiscal policies adopted early in 1953 by the new administration induced a recession, and those policies were moderated within a few months. Making money scarce and dear by interest boosts proved to have such serious effects in the business world that this means of achieving a stable dollar was deemphasized.

Although there have been continuing attacks on labor wage levels, such as Secretary of Agriculture Benson's frequent illusions to "soft wage increases," the administration has found it either un-



wise or impossible to drive labor's wages down.

The New York bankers' blueprint did not call for any limitations on profiteering or excessive business profits, and no effort to impose such limitations was to be anticipated with businessmen "here in the saddle," as Secretary of the Interior McKay put it. That area of action to maintain the purchasing power of the dollar was not even to be considered.

The result of experience with the administration application of its hard-money policy has been that farmers almost alone have been deflated—and the farmers have been bled absolutely white—to keep the administration pledge of a stable dollar. Small business has suffered as a result of the decline of purchasing power of its customers and the ruthless competition of big business. But in the area of price deflation, the farmers have been made to foot the whole bill not only of dollar stability, but the cost of higher prices and higher profits for the big-business men who are here in the saddle.

A look at the cost-of-living index, maintained by the United States Department of Labor, shows the situation.

The cost of living has gone up eight-tenths of 1 percent between 1952 and 1955. The index stood at 113.5 for the year 1952 and at 114.5 for the year 1955. The only item in the whole index which showed any decline was food. The consumer price of foods was off 3 percent. Housing, rent, medical care, transportation, electricity and gas, solid fuels and fuel oil and household operation had climbed from 1 to 11 percent.

Cost of housing was up 5 percent.

Rent was up 11 percent.

Medical care costs have gone up 8 percent.

Electricity and gas are up 6 percent.

Solid fuels and fuel oil are up 5 percent.

The cost of household operations is up 7 percent.

Whatever stability there has been in the total cost of living index has been achieved by the deduction of other rises from payments for food produced by the farmers.

I ask unanimous consent to include in the RECORD a table of the changes between 1952 and 1955 in this index.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Cost of living index*

|                               | 1952  | 1955  | Percent change |
|-------------------------------|-------|-------|----------------|
| All items.....                | 113.5 | 114.5 | +0.8           |
| Food.....                     | 114.6 | 110.9 | -3             |
| Housing.....                  | 114.6 | 120.0 | +5             |
| Rent.....                     | 117.9 | 130.3 | +11            |
| Medical care.....             | 117.2 | 128.0 | +9             |
| Transportation.....           | 126.2 | 126.3 | +0.08          |
| Electricity and gas.....      | 104.5 | 110.7 | +6             |
| Solid fuels and fuel oil..... | 118.7 | 125.2 | +5             |
| Household operations.....     | 111.8 | 119.1 | +7             |

Mr. MURRAY. Mr. President, the New York Times, in an article by Richard Rutter which appeared in the January 26, 1956, issue, challenged a statement in the President's Economic Report, which had just been released, contending that a record business boom had been accomplished without the accompanying specter of inflation.

The Times article continued:

But had it?

Almost daily for the past few months, news articles carried reports of significant price increases. These have occurred mainly in industrial commodities, but some consumer items have been affected.

The article then pointed out that with the single exception of food:

Every other item in the cost-of-living yardstick—apparel, housing, gas and electricity, transportation, services, and the like—has risen substantially.

The Times concluded:

So the apparent stability in the cost of living has been entirely due to a decline in food costs.

The cost to farmers of the consumer savings on food has been a great deal more than the 3 percent finally reflected to the housewife. Before the lower food prices reached the consumers, to offset and absorb the price increases of all other categories of consumer prices, the processors and distributors of food products took advantage of a heavy share of the farmers' losses. Farm prices have dropped from 100 percent of parity in 1952 to 80 percent at the last report. This is a decline of 20 percent in the farm price level to get through just a 3 percent decline in consumer food prices.

On February 28 the Associated Press carried a story to all the newspapers of the Nation announcing that administration economists were sticking to their claim of no inflation in spite of price increases in coal, copper, lumber, fuel oil, tin, rubber, rayon, and many others.

The press agency reported:

Official statistics support Mr. Eisenhower's views (that there has been no inflation). Although almost all family budget items except food rose during 1955, the Bureau of Labor Statistics Consumer Index climbed only four-tenths of 1 percent for the year.

The story continues:

Food, representing 30 percent of the index, dropped seven-tenths of 1 percent last year and almost 5 percent in the last 4 years. That movement reflects in part the 5-year, 25 percent slump in prices received by farmers. It probably has prevented living costs from moving up past the record set in October 1953.

Mr. President, a careful reading of this article will confirm the familiar fact that the farmers have had to pay the bill, both for the alleged stability of living costs and for swollen profits. I ask unanimous consent to have this article printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of February 28, 1956]

UNITED STATES SPIKES INFLATION TALK AS PRICES RISE SLIGHTLY

(By Sterling F. Green)

Government economists today stuck to their forecasts of no inflation while reporting prices still are edging up generally, with falling food costs obscuring the rise.

The consumer price index for January, issued last week, showed a slight decline for the second successive month. The drop was caused primarily by lower meat and grocery bills.

But price increases have occurred recently in many basic industries—coal, copper, lumber, fuel oil, tin, rubber, and rayon, among others. There is trade talk of possible rises in steel and aluminum.

#### SEEMING CONFLICT

This might seem to conflict with President Eisenhower's assertion, in the economic message to Congress a month ago, that record income and production levels were achieved in 1955 without the specious aid of price inflation.

Official statistics support Mr. Eisenhower's views. Although almost all family budget items except food rose during 1955, the Bureau of Labor Statistics Consumer Index climbed only four-tenths of 1 percent of the year.

Food, representing 30 percent of the index, dropped seven-tenths of 1 percent last year and almost 5 percent in the past 4 years.

That movement reflects in part the 5-year, 25 percent slump in prices received by farmers. It probably has prevented living costs from moving up past the record set in October, 1953. In that month the index stood at 115.4 percent of the 1947-4 average; today's index is 114.6.

The wholesale index, watched more closely by businessmen because it covers the materials of production, has risen more rapidly—about 1.5 percent in the past 12 months. Not counting farm products and processed foods, the basic industrial commodities rose more than 4 percent in 1955. Meats skidded 17 percent and processed foods dropped 5 percent.

#### TREND IS UPWARD

Some high-ranking Government economists report that they expect more of the same during at least the early part of 1956. They make one important exception: Farm prices, they agree, may stabilize but probably will not rise appreciably this year.

"For a time we expect a continuation of what we've been having," said one economist. "The general trend is upward and it still has momentum."

Continued rises are expected in many of the consumer costs which increased last year.

Why, then, do Government economists expect a fair degree of consumer price stability? They give these reasons among others:

Part of the higher cost will be absorbed by the manufacturers because sales competition is getting keener. Corporation profits, which in 1955 were the second highest in history, may be shaved. Retailers may be obliged to trim their margins, though many are already complaining of a profit squeeze.

#### RISE IN PRODUCTIVITY

Rising productivity—more goods per worker per hour—will offset another portion of the increased labor and materials expense. Investment in plant mechanization and labor-saving machinery has been at record levels, and is continuing.

Auto prices are likely to stay stable. Competition for volume sales remains keen and,



as one official observed, "there are just too many cars running around." Housing costs still are rising but the industry is becoming concerned over the possibility of pricing itself out of the market.

In the household-appliance field, officials report, there is little opportunity to mark up price tags. Consumers are well stocked; they can afford to wait for bargains and react adversely to price boosts.

**Mr. MURRAY.** Mr. President, the deliberate nature of this policy of deflation of agriculture is reflected in every administration statement on the subject.

Secretary Benson has repeatedly contended that the low prices would be the farmers' salvation; that they would increase per capita consumption of foods and cause the farmers to reduce production. The President, in his 1954 message, offered only the reassurance that abrupt declines in farm prices would be avoided. Here in Congress, we have heard leaders praise the "graduality" of the farm deflation as the great virtue of the Eisenhower-Benson farm policy. They have never talked of maintaining or restoring farm prices. They talk only of letting them go on down—gradually.

Secretary of Agriculture Benson in recent months has attempted to turn the wrath of farmers, aroused by the deliberate deflation of their prices and income, against labor by referring to "round after round" of "soft" labor wage increases.

But the Secretary's charges in this area have made little headway, for another administration spokesman, the Commissioner of Labor Statistics in the Department of Labor, has publicly stated that manufacturing output per man-hour rose 10 percent from 1953 to 1955. Average hourly wages of production workers in manufacturing rose 6 percent in those years.

What has risen are the profits of the businessmen who, as Secretary of the Interior Douglas McKay said in an address to the United States Chamber of Commerce, which was tape recorded, are "here in the saddle."

Corporation profits are up 18 percent before taxes and up 32 percent after taxes.

Dividends paid to stockholders are up 19 percent.

The fact is that in the third quarter last year dividends paid to stockholders passed the total net income of the Nation's farm operators. In the fourth quarter, dividends paid stockholders were at a rate of \$2 million more per annum than total net farm income.

The only time before in our national history when this situation prevailed was in the period from 1930 through 1932.

It should be unnecessary to have to describe the national economic situation in those years, but apparently some people have forgotten them. Our Nation was in the deepest economic difficulties in its history. Stock market values based on pure speculative fever, in face of declining agricultural income and purchasing power, had collapsed. There was a Farm Holiday Association spreading in the Middle West, just as there is a National Farmers Organization spreading through that area today. We were undergoing the Hoover depression.

I am aware that any effort to warn the administration and the Congress of serious economic consequences of their policies, subjects one to the risk of being described as a "prophet of gloom and doom." But someone must take that risk. I do not predict a depression. There is still time to make economic adjustments and avoid a great economic catastrophe. But adjustments must be made. The parallels between the twenties and the early thirties are too numerous to be ignored. And unless adjustments are made, including a rebuilding of the income of the farmers, serious consequences to the whole economy are inevitable.

There is immediate need for action both to raise agricultural income and also to halt profiteering by big monopolistic enterprises in this Nation which so thoroughly control basic industries that they are able to raise their prices and maintain their excessive profits in the face of surpluses even greater than those in agriculture.

An investigation by labor economists of Secretary Benson's recent allusions to soft wage increases has yielded a very significant picture of what is going on in our economy.

Mr. Donald Montgomery, director of the Washington office of the United Automobile Workers, summarized these findings in an address to the Pacific Northwest Farm Forum at Spokane, Wash., a few days ago—on February 13. I ask unanimous consent that his remarks and analysis appear at this point in the RECORD. It is an excellent show-

ing that profiteering—not soft wage increases—is boosting prices.

There being no objection, the remarks and analysis were ordered to be printed in the RECORD, as follows:

#### INDUSTRY PROFITEERING IS RAISING FARMERS' COSTS

(By Donald Montgomery, director, Washington office, United Automobile Workers, at Pacific Northwest Farm Forum, Spokane, Wash., February 13, 1956)

I  
They are laying workers off at automobile plants, 8,500 in December, more than 28,000 in January.

General Motors says car production will be cut 12 percent this year.

One explanation is—farmers are not buying as many cars as they would like to buy. Falling farm income is responsible.

This is one good and practical reason why organized labor does not like what is happening to farmers, and why they would like to do something about it.

Since the war, wages, profits and dividends have been going up; farm income has been going down. This sharp movement in opposite directions of two major divisions of our economy creates, as we see it, nothing less than a national emergency. Drastic action is called for. The remedy, obviously, is to get the farm economy back into line with the rest of us.

How to do that I can't tell you. That's farmers' business. My assignment here, as I interpret it, is to answer Secretary of Agriculture Benson's charge that labor's wage increases are putting the bite on farmers. As background for that, I ask you first to look at the important postwar trends within our economy.

The last 3 years (1952-55) in this postwar period show some marked differences from the first 5 (1947-52).

#### Postwar trends in the American economy

|                                                    | Wages and salaries | Corporation profits |             | Corporation dividends | Net income of farm operators from farming |
|----------------------------------------------------|--------------------|---------------------|-------------|-----------------------|-------------------------------------------|
|                                                    |                    | Before taxes        | After taxes |                       |                                           |
| 1947.....billion dollars..                         | 125.2              | 29.5                | 18.2        | 6.5                   | 17.2                                      |
| 1952.....do.....                                   | 190.5              | 35.9                | 16.1        | 9.0                   | 14.0                                      |
| 1955 <sup>2</sup> .....do.....                     | 221.9              | 44.5                | 22.2        | 12.6                  | 10.6                                      |
| Change from 1947 to 1952.....percent..             | +52.2              | +21.7               | -11.5       | +38.5                 | -18.6                                     |
| Change from 1952 to 1955 <sup>2</sup> .....do..... | +16.5              | +24.0               | +37.9       | +40.0                 | -24.3                                     |
| Change from 1947 to 1955 <sup>2</sup> .....do..... | +77.2              | +50.8               | +22.0       | +93.8                 | -38.4                                     |

<sup>1</sup> Excess profits tax on corporations was imposed as of July 1950 and expired Dec. 31, 1953.

<sup>2</sup> 1955 figures are for 4th quarter of the year, seasonally adjusted, annual rate.

Wages went up more rapidly than profits in the earlier period; profits took over the lead in the last 3 years. We were promised a business administration in the 1952 campaign, and that's what we got.

Excess profits taxes were imposed on corporations in the first period, taken off in the second.

Farm income fell \$630 million a year in the earlier period, \$1,150 million a year in the second. The business administration we were promised, and got, doesn't seem to treat farming as a business.

Most dramatic fact of the last 3 years is that total dividends paid out to corporation stockholders caught up to and passed the total net income of farm operators. That happened in the third quarter of last year. In the fourth quarter, dividends exceeded farm income by \$2 billion, or 19 percent.

Only once before have American stockholders received more income from their shares of stock than American farmers have earned out of their land and labor. That was in the years 1930 to 1932.

We were in trouble, deep trouble, in those years. Is there a warning to us in the fact that, once again, stockholding has become

a more profitable occupation than the business of providing the United States with its foods and fibers?

#### II

Topic of your conference this year is the farm cost-price squeeze. Secretary of Agriculture Benson has been talking about that. More than once he has said that labor's wage increases have caused the rising costs that are hurting farmers.

I welcome the opportunity to refute that charge. But, in passing, I want also to comment on Mr. Benson's attempt to make farmers believe that the rising costs of the things they buy are hurting them more than the low prices they are getting for what they have to sell.

Mr. Benson's official publications, if you examine them, will show you that falling farm prices accounted for 12 of the 14 points by which the farm parity ratio has fallen since he took office—from 94 percent of parity in January 1953 to 80 percent of parity today. Rising industrial prices knocked only 1 point off of this parity ratio. Higher taxes and interest charges knocked off the other point.



Lower prices received and higher prices paid are the 2 jaws of the vise that is squeezing farmers. Figures published by Mr. Benson's Department show how the 2 jaws bite.

Farm prices were at 94 percent of parity when Mr. Benson became Secretary of Agriculture in January 1953. They are at 80 percent of parity today.

The indexes which his Department constructs for measuring this parity ratio show that:

1. Prices received by farmers fell 15.7 percent. If the prices farmers pay had remained stationary, this fall in prices received would have brought the parity ratio down from 94 percent 3 years ago to 79 percent today.

2. The prices farmers pay did not remain stationary. Prices paid for the commodities which originate on farms—food, feed, seed and livestock—went down 10 percent. This raised the parity ratio from 79 percent to 82 percent. Thus the combined net effect of falling farm prices over the 3 years was to reduce the parity ratio by 12 points, from 94 percent to 82 percent.

3. Prices farmers pay for industrial products went up 3 percent, on the average. This brings the parity ratio down from 82 percent to 81 percent. And that, to date, has been the total net effect of the price increases which Mr. Benson has been talking about.

4. Interest and taxes paid by farmers went up, on the average, more than 20 percent over these 3 years. This knocked the parity ratio down 1 more notch, to 80 percent, and that's where it is today.

5. Wages paid by farmers to hired labor went up 1½ percent and had only slight effect (two-tenths of a point) on the parity ratio.

*Changes from January 1953 to January 1956 in indexes used by Department of Agriculture for computing parity ratio*  
[1910-14 equals 100]

|                                     | January 1953 | January 1956 | Percent change |
|-------------------------------------|--------------|--------------|----------------|
| Prices received by farmers.....     | 268          | 226          | -15.7          |
| Prices, etc., paid by farmers.....  | 284          | 281          | -1.1           |
| Commodities of farm origin:         |              |              |                |
| Food and tobacco....                | 266          | 260          | -2.3           |
| Feed.....                           | 244          | 200          | -18.0          |
| Seed.....                           | 264          | 228          | -13.6          |
| Livestock.....                      | 341          | 270          | -20.8          |
| Weighted average.....               |              |              | -10.0          |
| Commodities of industrial origin:   |              |              |                |
| Automobiles (family use).....       | 285          | 301          | +5.6           |
| Motor vehicles (farm use).....      | 359          | 375          | +4.4           |
| Farm machinery.....                 | 310          | 323          | +4.1           |
| Motor vehicle supplies.....         | 157          | 163          | +3.8           |
| Farm supplies.....                  | 288          | 269          | -6.6           |
| Building materials and fencing..... | 350          | 367          | +4.9           |
| Fertilizer.....                     | 157          | 152          | -3.2           |
| Clothing.....                       | 301          | 312          | +3.7           |
| Household operation.....            | 191          | 198          | +3.7           |
| House furnishings.....              | 275          | 273          | -0.7           |
| Building materials.....             | 380          | 398          | +4.7           |
| Weighted average.....               |              |              | +3.0           |
| Other costs:                        |              |              |                |
| Taxes.....                          | 371          | 432          | +16.4          |
| Interest payments.....              | 117          | 152          | +30.0          |
| Wages to hired labor.....           | 514          | 522          | +1.5           |
| Weighted average.....               |              |              | +6.7           |

I don't want to make little of any increase in farmers' costs, especially under present conditions of farm income. The higher costs farmers are being forced to pay are not justifiable and I shall not try to justify them.

But unjustifiable as they are, and much as they ought to be stopped, I trust Mr. Benson will not persuade farmers to accept the present low level of farm prices as normal.

Speaking at New Orleans last September, Mr. Benson said, "I am deeply disturbed by any action which adds even 1 penny to the production costs of farmers at this time."

We share that concern with Mr. Benson, even when he narrows it down to the last penny. More than that, we want to do something about it. We know, however, from figures published by his Department, that for every penny which higher prices of automobiles, trucks, and farm machinery have taken from farmers' pockets during the last 3 years, the falling prices of farm products have taken 20 pennies. We wish Mr. Benson had been deeply disturbed about that while it was going on—deeply enough to do something about it and to stop it.

Sharpest increase in all the rising costs imposed upon farmers over these 3 years was the cost of interest payments. They rose 30 percent. Mr. Benson did do something about that. He raised interest rates. To make the money supply tight and interest rates high has been an open and proud purpose of this administration. Mr. Benson has served that purpose loyally, on several occasions. He speaks with ill grace about other farm costs if he forgets what he and his administration have done to raise this one.

I propose now to refute Mr. Benson's charge.

### III

For a general answer to the charge that wage increases have forced manufacturers to raise their prices, I rely on Annual Survey of Manufacturers published by the Census Bureau in the Department of Commerce, covering the years 1947 to 1953.

This survey shows that, for manufacturing as a whole, wages paid to production workers account for only 40 percent of the value added by manufacture. Value added is the difference between the sales value of manufactured products and the cost of materials, fuel, power, etc., purchased by manufacturers.

An important fact for our discussion today is that in most of the industries whose products constitute major cost items for farmers, wages took a smaller portion of this value added in 1953 than in 1947.

*Value added in selected manufacturing industries and wages of production workers, 1947 and 1953*

| [Dollars in millions]                    |         |         |                |
|------------------------------------------|---------|---------|----------------|
|                                          | 1947    | 1953    | Percent change |
| I. Steel works and rolling mills:        |         |         |                |
| Value added by manufacturing.....        | \$2,276 | \$4,626 | +103.3         |
| Wages of production workers.....         | \$1,338 | \$2,214 | +65.5          |
| Percent, wages to value added.....       | 58.8    | 47.9    | -----          |
| II. Motor vehicles and parts:            |         |         |                |
| Value added by manufacturing.....        | \$3,577 | \$6,938 | +94.0          |
| Wages of production workers.....         | \$1,688 | \$3,083 | +82.6          |
| Percent, wages to value added.....       | 47.2    | 44.4    | -----          |
| III. Tractors:                           |         |         |                |
| Value added by manufacturing.....        | \$332   | \$678   | +104.2         |
| Wages of production workers.....         | \$178   | \$266   | +49.4          |
| Percent, wages to value added.....       | 53.6    | 39.2    | -----          |
| IV. Farm machinery (excluding tractors): |         |         |                |
| Value added by manufacturing.....        | \$422   | \$582   | +37.9          |
| Wages of production workers.....         | \$204   | \$244   | +19.6          |
| Percent, wages to value added.....       | 48.3    | 41.9    | -----          |

I think you will agree that when labor's share of the total manufacturing spread goes down, it cannot be accused of having forced manufacturers to raise their prices.

Perhaps the most interesting thing shown in these reports bearing on the relation of wages to prices is that labor's share of the manufacturing spread has been falling in the high-wage industries, like steel, automobiles, farm-machinery tractors and farm machinery, but it has been rising in low-wage industries like textiles, wearing apparel, paper, and leather. There are exceptions, but this is the general rule.

This may surprise you; it doesn't surprise us. High wages do not automatically translate themselves into high labor costs. On the contrary, the high-wage industries tend to hold labor costs down by using modern technology to make manpower more productive.

In any event, the broad evidence is that from 1947 to 1953 wage increases could not have been responsible for the price increases that occurred in the industries whose products figure most heavily in farm costs.

Since 1953, output per man-hour in manufacturing as a whole has been rising more rapidly than wages per man-hour. This was stated recently in a public speech by the Commissioner of Labor Statistics whose office has been studying the subject intensively. He says manufacturing output per man-hour rose 10 percent from 1953 to 1955. Average hourly wages of production workers in manufacturing rose 6 percent in these years.

These two facts together mean that although the wage per hour went up the labor cost per unit of output went down. This disproves the charge that wage increases have forced manufacturers to raise their prices.

Mr. Benson has his own opinion. He has said several times recently that our wage increases are larger than the gains in output per man-hour. As if he knew. Of course he doesn't know, but he had to say this in order to back up his unfounded charge that wage increases are compelling farmers to pay higher prices for industrial products.

### IV

Now, getting down to cases, I shall be specific. Wage increases in the summer of 1955 were deliberately seized upon by important companies and industries as an opportunity to increase their prices without justification and try to make labor the scapegoat for their profiteering.

I start with the steel industry because that is where the profiteering parade started. In July 1955, the United States Steel Corp., leader of the industry, blew the whistle and the parade took off.

When United States Steel signed its 1955 wage contract, its prices were already so high that it was making profits one-third larger than in 1953, the best previous year in its history, and 73 percent above its average profits of the 7 postwar years (excluding 1952, the year of the long strike). United States Steel's profits after taxes when it signed the contract were double the average of the postwar years.

The price increase of \$7.50 a ton which United States Steel put into effect upon signing the wage agreement was almost three times as much as the cost of the wage increase.

It was worth at least \$95 million of increased revenue to United States Steel in the second half of 1955. Cost of the wage increase in the same period was around \$34 million. That gives you an idea of the money that can be made by parlaying a wage increase into a price increase—\$60 million in half a year.

United States Steel could have reduced its prices \$7.50 a ton for the entire year 1955, instead of raising them \$7.50 in the second half, and would have come out of the year



with more profit after taxes than the \$222 million it made in the best previous year of its long history, 1953.

After raising wages and prices in July, United States Steel proceeded in the second half of the year to surpass the sizzling profit record it had established in the first half year.

The indisputable fact is that United States Steel has been, and still is, using the 1955 wage contract to fatten its profits at the expense of its customers—the industries that convert steel into the things which you and I buy.

This is a repeat performance on the part of United States Steel. It did the same thing with wage increases in 1949 and 1953 and 1954. Only it did it in a bigger way this time.

The rest of the steel industry has not been far behind United States Steel in turning the wage increase into a rich source of profits at the expense of its customers. Financial reports for 1955 from 11 of the largest steel companies show that profits (after taxes) of the industry as a whole will top the best previous year, 1950, by almost 40 percent and the 7-year postwar average by 75 percent.

|                                                                                  | Profits before taxes | Profits after taxes |
|----------------------------------------------------------------------------------|----------------------|---------------------|
| United States Steel Corp. profits:                                               |                      |                     |
| 1st half 1955.....                                                               | \$356,878,000        | \$177,878,000       |
| 2d half 1955.....                                                                | 379,320,000          | 192,320,000         |
| Year 1955.....                                                                   | 736,197,625          | 370,197,625         |
| Best prior year, 1953..                                                          | 545,087,840          | 222,087,840         |
| Postwar average (1947-54) <sup>1</sup> .....                                     | 412,933,000          | 177,138,000         |
| Steel-industry profits, 20 companies having 90 percent of total steel capacity): |                      |                     |
| 1955, 9 months.....                                                              | 1,412,400,000        | 712,300,000         |
| 1955, full year, estimated <sup>2</sup> .....                                    | 1,996,900,000        | 1,007,000,000       |
| Best prior years:                                                                |                      |                     |
| 1953.....                                                                        | 1,833,000,000        | 615,200,000         |
| 1950.....                                                                        | 1,500,900,000        | 713,000,000         |
| Postwar average (1947-54) <sup>1</sup> .....                                     | 1,224,600,000        | 571,400,000         |

<sup>1</sup> Excluding the strike year, 1952.

<sup>2</sup> Based on full-year reports of 11 companies having 80 percent of total steel capacity, and 9-month reports of companies having 90 percent of total steel capacity.

The steel industry is private enterprise, but this kind of price gouging is no private matter. Higher steel prices become higher costs for many other industries. You and I don't often buy a piece of rolled steel as such, but whenever the price of steel goes up we pay it, again and again in hundreds of things we buy. As, for example, automobiles and farm implements.

Like United States Steel, General Motors announced last summer that its 1955 wage contract would force it to raise prices. Prices on the 1956 models were advanced about 5 percent.

This is undoubtedly the most fantastic example in the whole long history of wage-price fakery.

When General Motors signed the contract to raise wages 21 cents an hour, it was making a profit of \$3.20 for every hour worked by every one of its more than 400,000 production workers in the United States.

When General Motors told the public it had to raise prices, it was saying in effect, that it could not absorb this cost of 21 cents and hour out of a profit of \$3.20 an hour.

GM cracked the billion-dollar-profit barrier last year, for the first time in the history of corporations. Its profits of \$1,189,000,000, after taxes gave it a return of 35 percent on its investment. Its profits before taxes—the profits it collects from its customers—exceeded \$2.5 billion, 40 percent more than it had ever made in any year of its highly profitable history.

Instead of raising prices 5 percent in the fourth quarter, GM could have reduced prices

5 percent and still earn 16 percent on its investment.

Ford Motor Co. took similar advantage of the wage increase to put over higher prices on the public.

Earning \$3.06 in profit for every hour worked by its production workers, it said it could not absorb 21 cents an hour of increased wages.

The first financial report ever made public by Ford Motor Co. covers the 9 months ended last September 30. It shows that a 5 percent increase would have been worth \$197 million in that period, whereas a 21-cent-an-hour wage increase would have cost only \$45 million.

So they exact from their customers more than four times the cost of the wage increase and then blame their higher prices on the workers.

Ford, too, could have reduced prices instead of raising them. Its 1955 profits will be more than 2½ times its annual average profits of the postwar years.

|                                              | Profits before taxes | Profits after taxes |
|----------------------------------------------|----------------------|---------------------|
| General Motors Corp. profits:                |                      |                     |
| 1955.....                                    | \$2,530,000,000      | \$1,189,000,000     |
| Best prior year, 1950..                      | 1,812,000,000        | 834,000,000         |
| Postwar average, 1947-54.....                | 1,323,000,000        | 586,000,000         |
| Ford Motor Co. profits:                      |                      |                     |
| 1955, 9 months.....                          | 689,400,000          | 312,200,000         |
| 1955, full year estimated <sup>1</sup> ..... | 896,200,000          | 405,900,000         |
| Best prior year, 1950..                      | 540,600,000          | 260,300,000         |
| Postwar average, 1947 to 1954.....           | 345,900,000          | 158,100,000         |

<sup>1</sup> Estimated as 1.3 times the reported profits for 9 months.

Ford Motor Co. not only raised car and truck prices, it took the lead in launching a 7-percent price increase on tractors, which apparently set the price pattern for the farm-machinery industry.

What is the wage-price-profit picture in farm machinery? Profits are thinner in this industry. The reason is obvious. Too many of its customers are farmers.

However, we challenge this industry, too, to prove that it could not have absorbed the 1955 wage increase without raising prices. Harvester's latest financial report shows that if a 7 percent price increase and the 1955 wage increase had been in effect for all of the year ended last October 31, its profits would have been increased by \$30 to \$35 million, an increase of about one-third over the profits it reported. This is true despite the fact that in September Harvester fought a strike for 4 weeks before concluding an agreement with our union.

Oliver Corp. and Deere & Co. reports show that a 7 percent price increase will bring them more than \$1.50 for every \$1 of added wages paid under the new contract.

What steel price increases have done to the cost and profit position of these farm machinery companies their financial reports don't reveal. It certainly is important to them. It is through them that the disgraceful profiteering of the steel industry is passed along to you, the ultimate consumers.

The president of International Harvester, your guest speaker today, wrote an open letter to Secretary Benson last September, commending him on the New Orleans speech which sought to pin the blame on labor's wage increases for the trouble farmers are in.

I bring this up here because of the questions his letter does and does not raise. Mr. McCaffrey's letter dwells right heavily on the wage increases his company has paid. It puts less emphasis on the increased prices of materials, although the latter bulk considerably larger in their total costs. While the letter is generally critical of the wage in-

creases, I can find in it no criticism or question of profiteering with regard to higher steel prices. On the contrary it describes these material prices as "largely payments going to labor on other companies' payrolls." So labor is to blame for everything, even the profiteering of the steel corporations.

The fact is, as I have already shown, that steel profits did not require prices to be increased \$7.50 a ton, but would permit them to be reduced \$7.50 a ton, and still keep profits above the highest level of all prior years.

Concluding his letter, Mr. McCaffrey suggests to Mr. Benson that the farmers' "greatest opportunity to meet the market price of farm products and maintain their profit position lies in new and improved mechanization." Moderate changes in the price of a farm machine are, he says, largely irrelevant from the farmer's standpoint if the machine reduces his costs and improves his earnings.

I don't think farmers should be expected to meet the market price of farm products at present low levels, and I doubt that even the finest machines can make these low prices profitable. Organized labor quite widely believes, I am sure, that quick and effective action to get farm prices back up, and to bring farm incomes into line, is vitally important for farmers for labor and for everyone else.

But that won't do any good if the profiteering parade that was launched last year proceeds unchecked on its dangerous course. Raise farm incomes to the point where farmers become good customers again and they, too, become a set-up for price gouging.

This is no idle question. Even as the record-breaking steel company profit reports for the year 1955 are being released from day to day, the steel industry is talking about another general price increase.

"Steel Makers Say More Price Increases Are Coming; Claim Market Is in Good Position To Absorb Them." That's a headline in the Wall Street Journal of January 30.

As a matter of fact, steel prices have been edging up steadily since last summer's big increase. More and more of the so-called "extras" which steelmakers tack on to basic prices are being increased. They have added more than a dollar a ton to steel prices in recent months, one paper reports. U. S. Steel announced higher "extras" on plates, sheets, and strips on January 27. It is expected to boost prices on iron ore before the shipping season opens on the Great Lakes. Steel leaders are talking about the need of bringing prices into line with production costs.

Further steel-price increases will be seized upon by steel-using industries for further price boosts on their products, plus, of course, an addition to their own profits.

The executive board of my union, the United Automobile Workers, spoke out immediately last July when General Motors and Ford said they were going to raise car prices. It challenged the need for raising car prices, and it asked the Joint Congressional Committee on the Economic Report to get at the facts behind these prices, including labor costs, and to tell the people of this country what was going on.

When Ford Motor Co. in August announced higher prices on its tractors we again issued a public protest and renewed our demand for investigation.

When Secretary Benson in September charged that our wage increases are forcing farmers to pay higher prices Walter Reuther wrote a letter to Benson denying the charges and asking him to join us in asking a committee of Congress to get all the facts, including labor costs, and lay them out on the table for the people to see and judge. Mr. Benson's reply renewed the charge, but ignored the request.

With steel prices edging up constantly and with another general price increase predict-



ed, I think you will agree that full-fledged investigation of profiteering in these major industries is urgently needed.

Mr. MURRAY. Mr. President, Mr. Montgomery points out that after the United States Steel Corp. signed its 1955 wage contracts, and with its profits already one-third higher than its best previous year, the company used the wage contract as an excuse to increase steel prices three times the cost of the wage increases.

Mr. Montgomery stated, and he has not been contradicted:

United States Steel could have reduced its prices \$7.50 a ton instead of raising them \$7.50 in the second half, and would have come out of the year with more profits after taxes than the \$222 million it made in the best previous year of its long history, 1953.

This study shows that General Motors, with its profits last year of \$2.5 billions before taxes and of \$1,189 million after taxes—a rate of 35 percent on its investment—could have reduced its prices last year by 5 percent instead of raising them by 5 percent and still would have earned 16 percent profit on investment after taxes.

The same sort of situation existed in other automobile concerns. Similarly, wage increases in the farm machinery concerns, which deal directly with the most depressed segment of our economy, were followed by price increases considerably in excess of any increased wage costs.

#### THE ECONOMIC PATTERN TODAY

Mr. President, the events that we see occurring in the economy today are frightening to those of us who can remember how past depressions have started, and how our march out of the depression of the early thirties was halted by profiteering of the great monopolistic corporations.

The pattern today is almost exactly the same as existed in 1937, when the Government was spending billions of dollars to stimulate the economy, to create employment and greater purchasing power. At that time, the big corporations moved in and began to skim the cream off the Government spending by unjustifiable price increases. All that was needed was their cooperation with the Government program, and willingness to accept reasonable profits. The spending programs had the economy so well on the way to recovery we had been able to reduce the makework appropriations some. But instead of cooperating, the big businesses started profiteering. They thereby cut purchasing power, started a new recession and forced the Government to renew its expenditures again.

We had an investigation at that time of the so-called sit-down strike of wealth against economic recovery, and its frustration of recovery efforts by profiteering.

Summarizing the findings of the investigating committee on the floor of the Senate on May 23, 1938, I said:

It will be seen from the testimony of all those representatives of finance and industry appearing before our committee that in 1936 and early 1937 business conditions and re-employment were advancing rapidly. All that was necessary for continued recovery was honest and unselfish cooperation, but

unfortunately there was a lack of that necessary spirit of cooperation. Industry, in its interminable quest for profits, began to make unreasonable advances in prices and otherwise failed to observe good judgment and sound economic principles. That is exactly what caused the recession in the recovery we are experiencing.

Continuing at that time, I said:

The present recession follows the classic analysis of the 1929 depression made by Brookings Institution. The testimony presented before our committee thoroughly established the conclusion that the unbalanced prices which developed in 1936 and 1937 caused the recession.

Robert W. Irwin, furniture manufacturer of Grand Rapids, Mich., testified directly that the recession was caused by the maintenance of artificial prices \* \* \* Here is an impartial witness from the ranks of industry frankly acknowledging the cause of the present recession. Prof. PAUL H. DOUGLAS, of the University of Chicago, testified that the monopoly fixation of prices, which was clearly shown by undisputed facts, is the major cause of the present recession, as well as the 1929 depression. Prof. Alvin H. Hansen, of Harvard University, testified to the same effect.

It appears, therefore, from this general study of the testimony, that while the Government was seeking by the expenditure of billions of dollars to create purchasing power and stimulate industrial activity in the country, the leading industrial and business enterprises moved in to take advantage of the Government spending and enrich their own treasuries. Practically all of the leading industries began to raise prices shortly after the public-works program began. As prosperity began to return, wild excitement and speculation on the stock exchanges followed, and very soon, as a result of excessive prices and profits being made by the big industries of the country, the new boom began to develop.

This urge is nothing new. Adam Smith, 160 years ago, shrewdly remarks:

"People of the same trade seldom get together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."

The parallel between what happened in the middle thirties and the price increases and excessive profits which are being taken today out of the economy—and now largely out of the farmers' pockets—is emphasized by comments which the distinguished former Senator from Indiana, Mr. Sherman Minton, made during my address to the Senate in 1938.

This colloquy occurred between Senator Minton and myself:

Mr. MINTON. Did not Mr. Knudsen, the president of General Motors Corp., appear before the committee?

Mr. MURRAY. He did.

Mr. MINTON. I think the figures show that in 1932 General Motors made \$165,000; in 1936 they made \$238 million; and I believe the figure was even higher in 1937.

Mr. MURRAY. That is a correct statement. \* \* \* As a matter of fact, practically every corporation in the United States made greater profits in 1936 and 1937 than at any time since 1929. A great many of such corporations made greater profits in 1937 than they did at the highest peak of our national prosperity in 1929.

Mr. Minton then summarized his point. I quote him:

Mr. MINTON. I wonder if the Senator will agree with me in the statement that Mr. Knudsen's company, General Motors, was one

of the chief beneficiaries of the spending program, and a splendid example of what the Senator has just pointed out. The corporation took all the profits for itself. General Motors, presided over by Mr. Knudsen, paid Mr. Knudsen two-hundred-thousand-dollar in 1934; three-hundred-thousand-dollar in 1935; and five-hundred-thousand-dollar in 1936. The corporation did not reduce the price of commodities to the public at all. It raised wages very little, but it raised the salaries of its own officers, and paid fat dividends to stockholders.

As I have already shown, General Motors Corp. profits last year, before taxes, were \$2.5 billion and, after taxes, they were more than \$1.1 billion. This is 5 times the rate which helped to bring on the recession of 1937.

There are those who contend that "what is good for General Motors Corp. is good for the country," but a continuation of the excessive profit take of such big corporations, at rates like 35 percent on investment after taxes, will lead to the same sort of economic trouble as it did in 1929 and 1937.

Back in 1938, Cleveland, Ohio's outstanding spokesman for business, the banker-economist, Leonard P. Ayres, recognized that business greed was behind recession difficulties. He testified before our committee:

Last spring (1937) there were many warnings about prices rising too far and too fast.

It is regrettable that the lesson this Cleveland learned in the experiences of 1929 and 1937 did not trickle down to those who were to succeed him in economic leadership in that community and the Nation. If it had, the present administration might be showing more concern about lower labor income, rising unemployment, and the serious deflation of the farmers.

Two answers are being made today to those of us who are concerned about the economic consequences of the present farm depression.

One is that farmers are not really in any difficulty. That is the line that Secretary of Agriculture Benson and editor John Fischer of Harper's magazine take: That farmers are still dwelling in a "clover and Cadillac heaven."

This assertion has been adequately answered here on the floor in this debate and by publications which support the administration but have too much economic intelligence to try to conceal the true situation for partisan reasons. For example, the February 10 issue of U. S. News & World Report, published by David Lawrence, portrays the agricultural situation as a very serious one. The article reveals a decline in net income per farm from \$4,301 in 1952 to \$3,800 last year and an estimated \$3,673 this year. It shows a 20-percent decline in farm spending between 1952 and 1955. It shows farm debts up \$4.3 billion in the same period and farm assets down from \$155.5 billion in 1952 to \$145.1 billion in 1955, a decline of more than \$10 billion. It reflects also the effect of increasing industrial profits in the continuing high prices of all the nonagricultural products which farmers must buy.

Only the political apologists for the present administration stick to this claim. It was interesting that the dis-



tinguished Senator from Iowa [Mr. MAR-TIN], who made a trip to Iowa and then appeared with Agriculture Secretary Benson on a 30-minute television broadcast last week, did not endorse the Secretary's claim that conditions in agriculture are basically good.

The second argument is that farm population is down and that agriculture's importance in the national economy has declined to the point that we can have a farm depression without ultimately causing a general depression.

Dr. John Davis, director of the Harvard University Graduate School's program on agriculture and business, who was an Assistant Secretary of Agriculture in the present administration, has refuted that argument. In an address on October 17, 1955, to the Boston Conference on Distribution, Mr. Davis warned that while agriculture was once a relatively larger part of the national economy than today, a drop in farmer purchasing power will be felt significantly in terms of limiting our overall national economic potential.

Mr. Davis has coined a new word, "agribusiness," to describe the total of all operations concerned with the processing, distribution, and production of farm commodities. He stated:

Agribusiness is a major component of our national economy—employing about 40 percent of our total working force and producing about 40 percent of our gross national product. As already indicated, it currently encompasses annually some \$15 billion of manufactured farm production supplies, \$30 billion of commodities grown on our farms, and \$90 billion of consumer products in the form of food and fiber.

Leon Keyserling, former Chairman of the President's Council of Economic Advisers, recently made a careful analysis of the farm problem. In his study he points out that farm spending in 1951 was about 7.2 percent of our total national spending. The farmers bought 8 percent of the output of the chemical industry, more steel than the entire passenger-automobile industry, rubber products enough to replace the tires on 6 million cars, and the equivalent of 16½ billion gallons of crude oil—more than any other industry. He estimates that between 2 and 3 million workers outside agriculture are engaged in supplying farmers with these basic products and others.

Then he warns us:

The difference between a year of high prosperity and a year of substantial recession for the whole economy is represented by only a few percentage points. For example, during the 1953-54 recession, the decline in total national spending never exceeded about 3 percent. But the deficiency in market for products caused the true level of unemployment at its peak to rise to about 5 million, and our total national production to fall, at the bottom of the recession, to an annual rate nearly \$30 billion below the full production level.

#### CURRENT EFFECT ON THE ECONOMY

The effects of the decline of farm spending are increasingly appearing today in our economy.

Small business, and especially distributors in rural areas, are particularly hard hit. But employment in the big factories is also down, and in farm-im-

plement factories employment is still steadily declining. The trade publication *Implement and Tractor* for February 11 reports that tractor output the first 6 months this year, originally scheduled at 177,000 units, has been cut back to 137,000—a reduction of 20 percent this year.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The time allotted to the Senator from Montana has expired. Does the Senator from New Mexico yield additional time to him?

Mr. ANDERSON. I shall be happy to do so. I ask unanimous consent that I may yield such additional time as may be necessary to enable the Senator from Montana to conclude his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURRAY. I thank the Senator from New Mexico.

Mr. President, unemployment in the automobile industry is growing; layoffs since mid-December by the major automobile producers reached more than 72,000 by mid-February. I have just seen a study of new automobile registrations comparing 1950 and 1955—the industry's 2 biggest years—classified according to percentage of farm-owned cars.

In the 12 States where farm ownership of automobiles is highest, from 17 percent to 38 percent of all cars, there was an actual decline in 1955 in new automobile registration compared with the previous record year of 1950.

In the 12 States where the percentage of farm ownership of cars was lowest, ranging from 8 percent down to 1 percent of the cars in each State, the new car registrations showed a gain of 21 percent in 1955. The clear conclusion of the study is that the farm market for cars is off and that this is a major cause of the present increase of unemployment in the automobile industry.

The farm problem, Mr. President, is the concern of every one of us, because the health of the whole national economy is involved. It is urgent to every one of us, whether we be from an industrial State or a rural State, to see to it that the deliberate deflation of agriculture be halted and reversed and that farm income be rebuilt.

It is imperative, therefore, that we not only enact but strengthen those provisions in the measure now before us that will actually add to farm income and help to build agricultural income back up to the point required for a healthy national economy.

The only provisions of the bill which will do that—the only provisions which make a net addition to farm income—are those restoring 90 percent of parity supports for the basic commodities and restoring the old parity formula.

These provisions are opposed by the administration. We are hearing threats of a veto. These threats do not surprise me. It is a fact that if we stop the process of bleeding farmers to offset inflation in every other segment of the economy, as has been done consistently for the past 3 years, then the people of the Nation can no longer be deceived about the achievement of dollar stability. The inflation that has occurred in the

prices and profits of the big, monopolistic businessmen who are here in the saddle will then become apparent to the consumers. Of course, the administration would like to avoid a disclosure of the falsity of its stability claim.

But it remains to be seen if the President has been so misguided by those around him that he will risk the soundness of the economy in order to preserve a propaganda campaign claim among consumers.

#### THE SOIL BANK AND TRUE CONSERVATION

The soil bank proposals—the acreage reserve and the conservation reserve—will not add to net farm income immediately, as the economic situation requires.

Farmers are to get payments for not cultivating and not producing crops on a part of their land. It is purely replacement of income they otherwise would have received from crops produced.

The most the soil bank payments to farmers can do is create a temporary illusion of added income. I understand that efforts will be made to send checks to the farmers during the summer—before the election—to pay them for taking acres out of cultivation. But in the fall of 1956, when the farmers have less produce to take to market, they will all be aware that their soil bank checks were merely prepayment of income normally received at marketing time.

I am extremely doubtful of the soundness of the acreage reserve proposal from a conservation viewpoint.

This is a proposal to take out of production 10, 20, or 30 acres—a relatively small patch—on each farm which produces one of the basic commodities on which acreage allotments are in effect. The land that really needs to be returned to grass and trees does not necessarily lie in little patches on every farm.

A sound conservation approach to shrinking the total land in cultivation in the Nation would call for the retirement from cultivation of the poorest lands—the lands unfit for the plow.

The publication *Land Facts*, of the Soil Conservation Service, United States Department of Agriculture, shows that 39 million acres of class V, VI, and VII land are in cultivation. It is too wet, too steep, too stoney, or too arid for cultivation. Much of it has severe limitations even for grazing and should be in trees.

This land ought to be taken out of cultivation, and we should move on to the additional 47 million acres of class IV land which has very severe limitations for cultivation and would be better used if planted in grass or trees.

This land is of low productivity. But I seriously doubt that it would cost more to get 50 million acres of these marginal lands back to grass and trees than 15 million acres of land in the classes which are suitable for cultivation. We might very well get as much reduction in production per dollar out of a conservation program soundly based on land capability as from this proposal to have a little patch on each farm—to cover the face of the Nation with little "corn plasters."

Certainly the amendment proposed by my colleague the distinguished junior



Senator from Montana [Mr. MANSFIELD] to permit farmers to participate in the soil bank with off-farm land, when it will bring about better land use or farm management, should be adopted.

Before another Congress convenes, the whole soil-bank program should be reviewed and reorganized. I would strongly favor the Senate Committee on Agriculture and Forestry employing a competent staff to do this job, free of the partisanship over farm issues found at the Department of Agriculture.

Another very serious question about the soil-bank proposal is the extent to which it will actually shrink production and the extent to which the United States should curtail its food production in a hungry world, in which we are competing with the Communist ideology for the minds of men.

I am sure that all Senators are doubtful that reduction of cultivated acreage will actually reduce production proportionately.

This question posed itself acutely in my own mind when my attention was called to the Missouri Farm News Service, a clip sheet sent to all rural newspapers in Missouri by the College of Agriculture of the University of Missouri.

The clip sheet of articles for publication in the farm press is featured by a column-long story captioned "Intensive Cropping System May Help With Farm Problem."

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at this point in my remarks, but I shall also summarize it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### INTENSIVE CROPPING SYSTEM MAY HELP WITH FARM PROBLEM

With higher prices for what he buys and lower prices for most everything he sells, the farmer is caught in the middle, says Stanley Spangler, University of Missouri agricultural economist. To relieve some of this pressure, farmers must cut expenses or produce more to sell.

One way a farmer may be able to produce more and at less cost for each bushel raised is by growing two grain crops in one year on the same piece of land.

In many years, a lot of corn has been planted the last of June or early in July. This late corn was usually planted as a result of a flood, a wet spring, or other delay-causing events. While late-planted crops are not always successful, in many instances they reach maturity and supply a lot of feed. In the case of corn, even immature grain can provide a lot of livestock feed as grain or silage.

Why not follow wheat, rye, or barley with corn or beans? The interest on investment, taxes, and overhead costs is no more for 2 crops than for 1. It looks like it would be a paying proposition most years, Spangler points out.

Of course, there are some drawbacks to late corn and beans. Some years, the ground is so dry following a small grain crop that corn or beans won't come up. Also, other crops may take a farmer's time and he may not have time for late plantings. Then, too, an extra-early freeze or frost may hurt a late-planted crop.

However, recent developments are making this intensive cropping idea practical as time goes by. First, there are more early seed varieties than formerly.

Second larger and better machinery speeds up field work. Combines are larger and more efficient, getting the small grain out of the field in a day or two. Tractors are more powerful and preparing a seedbed doesn't take long. Also, some farmers have crop dryers or access to them.

Third, and important in making 2 crops in 1 year possible, is the use of heavier fertilizer applications. And adequate soil treatment greatly speeds up the crop's growth and maturity and gives fall-seeded crops a boost through the winter.

As a general rule, late-planted crops don't yield as heavily as early ones. But, they require less work, Spangler points out. Ground usually works easily and the weed problem isn't as bad. One cultivation usually takes care of weeds.

Crops to plant after small grains will depend on the needs of individual farms. If silage is needed, sorghum or corn are good choices. For a strictly cash crop, the answer is probably beans, while for feed to fatten hogs or steers, corn is best unless acreage allotments are a handicap. Then, maybe combine-type grain sorghums might be a good choice.

In summing up what is needed for success in this type of double cropping, Spangler says the following points need to be considered.

1. An early-maturing small grain combined on time.
2. Enough moisture for the ground to be plowed, worked down, and to sprout the seed.
3. A highly fertile soil plus plenty of commercial fertilizer. Two crops take a lot of plant food.
4. Enough labor and machinery to harvest the grain crop and get the next crop in speedily.
5. Moisture during the growing season and an average to late killing frost or freeze.
6. Livestock to utilize the crops as silage, as soft grain or in extreme cases, as pasture.

Mr. MURRAY. Mr. President, the article is based on advice to farmers by Stanley Spangler, University of Missouri agricultural economist, who found that farmers were caught in the middle by higher prices for what they buy and lower prices for what they sell. Mr. Spangler's article then states:

One way a farmer may be able to produce more and at less cost for each bushel raised is by growing 2 grain crops in 1 year on the same piece of land.

Because of Missouri River floods in past years, farmers in that State have planted corn as late as the last of June or the first of July, the article explains. So this economist suggests that Missouri farmers plant wheat, rye, or barley in the spring and follow it with corn or soybeans. If the second crops do not always mature, he suggests that they can be used for feed.

The article defends the feasibility and enumerates the advantages of growing 2 crops where only 1 was produced before.

Congress votes annual contributions to help maintain the State agricultural colleges. One cannot help but wonder how consistent we are to vote a billion dollars to reduce acreage and surpluses, and then appropriate several millions more for this sort of educational work.

In the early days of the Triple-A, this sort of inconsistency was avoided. Farmers in the old agricultural adjustment associations were partners in adjustment of production. It was a great mutual project to eliminate surpluses.

Neighbors worked with each other across the Nation to whip the overproduction problem. But that day of farmer cooperation to meet jointly the production adjustment problem is gone. Today Government workers encourage individual farmers to ignore the overall good of agriculture and attempt to beat the game as individuals. It is a formula, of course, to keep farmers divided and to make any farm program unworkable.

#### HOW FAR SHOULD REDUCTION GO?

The extent to which this Nation should reduce its production of foods and fibers, before making an all-out effort to banish want in the United States and the world, is one that should be considered thoughtfully.

The Senator from Minnesota [Mr. HUMPHREY] and the Senator from Tennessee [Mr. KEFAUVER] propose, by amendment of the bill, to establish a domestic food allotment or stamp plan to improve the distribution and increase the consumption of food by undernourished citizens of the United States. We should adopt such an amendment.

Although it cannot be done in connection with this bill, we should also pass Senate Resolution 65, which I introduced a year ago for myself and a large bipartisan group of Senators, to bring about the establishment of a world food and raw materials reserve.

Other free nations of the world have been attempting since immediately following World War II to achieve better international distribution of food—to combat hunger—through such a world food agency. Lord John Boyd-Orr, the first director general of the World Food and Agriculture Organization, led an international effort to establish such a world food agency. It failed because of the hesitance of the United States and Great Britain.

The nations in the World Food and Agriculture Organization and the International Federation of Agricultural Producers have continued, in effect, to petition the United States and other "have" nations—countries with surpluses that could help end hunger—to join in a world-food program.

The International Federation of Agricultural Producers, meeting at Nairobi, Kenya, in 1954, established a committee which is soon to report again on a new program for attainment of their long sought world food reserve goal.

I am deeply concerned about the effect that drastic curtailment of food production in the United States will have around the world.

Two-thirds of the world's people live in nations which have not finally made their choice between democracy and communism. These are the people of South and Central America, Southeast Asia, Africa, and the Middle East, where so-called stomach communism—the false promise of enough to eat—holds its greatest allure.

We should be doing everything we can to win these people. We should be leading—not just meeting Communist moves—in the campaign for their allegiance. But, we have not only failed to respond to the polite entreaties of these peoples to let our surpluses go into a



world food reserve, although it would help to solve one of our own serious domestic problems; we are now proposing to spend vast sums of money to prevent the production of food that men, women, and children in this world desperately need.

Unless the adoption of the soil-bank proposal shall be accompanied this session by positive moves to share our potential abundance with the have-not nations of the free world, I fear that the cause of freedom from want, the cause of world democracy and world peace, will have been seriously impaired.

I shall discuss other features of this bill as appropriate amendments come before the Senate.

In view of the economic situation of agriculture and its potential effect on the whole economy, I feel the reenactment of 90-percent supports for basics and restoration of the old formula for calculating parity should be supplemented with programs to assure a better farm return on feeds, livestock and animal products and other commodities.

In spite of the administration's apparent willingness to let farm income sink further, to offset more profits for General Motors and its other big business allies, we need to rebuild farm income not merely \$1 billion a year, but several billion.

I shall support amendments which have been proposed which will mean additional net farm income. Such aids to farmers will be far less costly than either a recession or a depression.

Mr. President, I yield the floor.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the bill (S. 2884) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

#### EXCUSAL OF PAGES FOR REMAINDER OF THE DAY

Mr. LANGER. Mr. President, will the Senator yield for a brief request, without losing his right to the floor?

Mr. ANDERSON. Mr. President, I ask unanimous consent that, without losing my right to the floor, I may yield to the Senator from North Dakota.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I am advised by some of the pages that they have an exceptional amount of studying to do, for some reason or other; and I ask unanimous consent that all but two pages on either side of the aisle may be excused for the remainder of the afternoon.

The PRESIDENT pro tempore. Is there objection?

Mr. O'MAHONEY. Mr. President, I object to that request. I should prefer that there be a quorum call. I understand why the Senator has made his unanimous-consent request, but I believe that every Member of the Senate, and

particularly Members on the other side of the aisle, need a lot of education about the bill.

The PRESIDENT pro tempore. Objection is heard.

Mr. LANGER. Mr. President, my request concerned only the pages.

Mr. O'MAHONEY. Then I misunderstood the Senator's request.

Mr. LANGER. I referred only to the pages.

Mr. O'MAHONEY. Mr. President, I misunderstood the request. I withdraw my objection and ask that all my remarks pertaining to the request may be deleted from the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered; and, without objection, the request of the Senator from North Dakota is granted.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield, so that I may suggest the absence of a quorum?

Mr. ANDERSON. I yield for that purpose.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, first of all I should like to propose an amendment to the bill, S. 3183, which is in the nature of a substitute for the soil-bank provisions of the bill. Actually, this is the language submitted originally by the American Farm Bureau Federation, with some slight changes. It was offered by me in the Committee on Agriculture and Forestry, and was rejected by a vote of 9 to 6. I still think it embodies something the Senate will want to consider, because it is a mandatory soil-bank provision. Surely, if we are to have the type of price levels which have been in effect, it will not be possible to obtain a reduction in acreage on a voluntary basis. For that reason I desire to have before the Senate, when it shall consider the soil-bank question, the amendment to that provision which I desire to present.

I submit my amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. ANDERSON. Mr. President, many of the things I intend to say today may not deal with the whole philosophy of the bill, but may relate only to certain isolated sections, and statements which have been made about the measure.

I have previously expressed on the floor my admiration for the way in which the senior Senator from Louisiana [Mr.

ELLENDER], the chairman of the committee, conducted the hearings. Therefore, if I refer to a statement he made on the Senate floor, I am sure he will understand I do it only for the purpose of trying to bring out points I think should be emphasized.

The Senator from Louisiana made the following statement, which I read from page 2753 of the RECORD for February 23:

It would not stimulate production of the basics because, as Mr. Benson well knows, he has in his hands all the tools he needs with which to control production of the basics.

I say only that the Secretary cannot bring the basics down to a matter of control. He is prohibited from bringing wheat acreage below 55 million acres. All that would be necessary next year, in the absence of that provision, would be 18,580,000 acres.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. When I made that statement what I had in mind was this: Whether or not there were flexible price supports, or 90 percent of parity price supports, the Secretary of Agriculture would have the same production control devices available to him. Is that correct?

Mr. ANDERSON. Yes, I think that is a correct statement. All I am trying to say is that he does not have available to him the tools with which to control production.

Mr. ELLENDER. The pending bill does not propose to reduce the acreage in wheat below 55 million acres except through the soil bank. Is that correct?

Mr. ANDERSON. Yes, but it will not bring that about through the soil bank provision with 90 percent support prices, because no farmer growing wheat is going to be stupid enough to take his wheatland out of production in the soil bank and lose 90 percent support unless there is a mandatory provision commanding him to do so.

We have had indicated the desire year after year to increase the amount of wheat acreage under 90-percent price supports, and even under 85-percent price supports. It strikes me that when we know the Secretary cannot keep production under control, we have to be more careful when we start to vote on high price support levels.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. ELLENDER. Does the Senator intend to propose any amendment which would permit the Secretary of Agriculture to cut wheat acreage further?

Mr. ANDERSON. No. I tried that one time. I tried to have wheat acreage brought down to 55 million acres at a time when every Member of the Senate knew it ought to be brought down to 55 million acres, and that amendment was defeated. There was no desire then to bring wheat acreage realistically into control, and I would say there is no desire today. After one bumps his head



into that kind of opposition a few times, he abandons such an undertaking.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. I have such a very high regard for the Senator from New Mexico that I hesitate to interject at this time, but it seems apropos to ask a question now. Does the Senator feel that with present 76 percent of parity for 1956, and the soil bank, there will be any reduction in wheat production this year, except as to spring wheat?

Mr. ANDERSON. I do not think there will be a reduction of wheat acreage as regards spring wheat, unless there is in the law a mandatory provision for a soil bank—a compulsory soil bank. The American Farm Bureau Federation, which spent 3 years studying the soil bank, came up with a pretty good answer, namely, that the farmer must be willing to make some adjustment before we consider the rates of pay he shall get for doing it.

If there is a mounting pile of surpluses, it is easy to say we have to do something about it. I have been critical of the Secretary of Agriculture, and I intend to be critical again, if we do not see the present surpluses begin to disappear; but I am trying to say, in an effort to be fair, that the Secretary of Agriculture is not in a position to handle the situation as we think it should be handled. We will have full planting of wheat this year and for many years to come, and that must be handled in one of two ways. About all the wheat land that is necessary to take care of our domestic needs for food, feed, seed, and a small amount of extra, is about 40 million acres. The rest of what we produce is to be turned into export; and the record of the International Wheat Agreement is for anyone to read. We began with 55 cents. We were told, "Only a few pennies will get this wheat into circulation." Thereafter, we came up to 65 cents. We are now an 87-cent subsidy, and still our wheat will not move in international trade. We are going to need a subsidy of \$1 a bushel; and then if some other country stimulates its wheat production, we again shall face the problem of how much further to raise the subsidy.

I say again that I do not think it is wise—and I do not think the Senator from Kansas wants to have it done, either—to keep forever increasing the subsidy, in order to try to shove into world commerce the surplus wheat production which we have at the present time.

Mr. CARLSON. Mr. President, let me say that I am in thorough accord with what the Senator from New Mexico has said about our wheat problem. It is a very serious one. I have every reason to believe that it will not be long before the taxpayers of the Nation will object to paying a \$1 a bushel subsidy, and I think rightfully so. It is for that reason that I favor a referendum as to whether we should have domestic parity. I wish the Senator from New Mexico would discuss that point.

Mr. ANDERSON. I shall, although I promise that I shall not detain the Senate all day. Of course, once a person begins to discuss this problem, there is a great temptation to continue the discussion a long time.

But I say to the Senator from Kansas who is just as much concerned about the farm problem as I am, and just as anxious to be helpful as I am that I know very well that the day will come when the taxpayers will assert themselves, if we keep on subsidizing wheat and if we increase the subsidy to \$1 a bushel. They may remember that not so long ago the price of wheat was \$1 a bushel. I do not want to lose all the farm programs the United States has. I say, on the basis of experience, that I think these programs will be jeopardized if a high subsidy on wheat is to be paid.

I had the experience of dealing with the program on potatoes. No one contended that potatoes were not good food, but it was simply impossible to bring potato production in the United States under control, either at 90 percent of parity or finally at the support price of 60 percent. New areas came into potato production—not at all the old potato-growing areas. Those new areas had a perfect right to come into production.

However, one of the interesting things I remember from that experience with potatoes is that the head of a chainstore told me that at one time his store bought potatoes in only two States—Maine and Idaho; and he said, "It will interest you to know that for the next year we will not have a bushel of potatoes from either Maine or Idaho."

I say such distortion of the agricultural picture is bad.

In the case of wheat, the supply is so great that, following the established formula to make available a quantity equal to a year's domestic consumption and exports, plus 30 percent after allowing for carryover and imports, only 19 million acres could be grown in 1956. But the Secretary is required by law to issue allotments based on 55 million acres.

For upland cotton, the formula in the law to make available a normal supply, after allowing for carryover, would give something less than 7 million acres. But the Secretary is required by law to permit the planting of more than 17 million acres. I think there is some question as to whether the Secretary of Agriculture needs to use that figure; but he did have that authority this year.

For rice, the formula to produce a normal supply, after considering the carryover, would give 936,000 acres. But the Congress enacted a law requiring an acreage allotment of not less than 1,639,000 for 1956.

For peanuts, 1,454,000 acres would be needed, based on compilations specified in the law to produce the average number of tons of peanuts harvested for nuts in the preceding 5 years, adjusted for current trends and prospective demand. But the Congress has said that the Secretary must issue allotments based on 1,610,000 acres—not far out of balance in the case of that rather minor crop.

The Secretary of Agriculture has acted in good faith in imposing production controls as required by law. But the law itself has required that many more acres be kept in production than are needed to get supplies up to the so-called normal levels.

In addition, we could analyze these laws and could try to ascertain what happens under them. But as I have pointed out, every time we come to the point where someone says, "The economy of the State simply cannot stand it," we are tempted to reply, "That is not very important. We will just pass the bill."

In July of last year we passed the rice-control law. I pointed out that it was unreasonable to cut the rice acreage more than 15 percent. But the law was passed. Of course, that law means that in 1954, when the Secretary of Agriculture saw a mountain of rice, and when the Department did not impose controls—and I think the Department acted properly; but certainly as the matter now stands, we see that it acted wrongfully—we got into all kinds of trouble.

However, I should like to say that situation is not unusual, and it is not a partisan situation. I think a Republican Secretary of Agriculture failed to put quotas on rice; I think a Democratic Secretary of Agriculture failed to put quotas on cotton. I am simply trying to say that this is a problem which arises in every administration, and it is one which is not too easily and too quickly handled.

Therefore, today I am going to suggest that we should not be too critical of some of these programs. In the past few years, and particularly in the past few weeks, I have heard a number of Democrats say much about the program of flexible price supports; they have described it as a frightful program which had been thrown on the American people by Mr. Benson. I think a word or two might be said about that. A few minutes ago the able junior Senator from South Dakota [Mr. CASE], in speaking on this floor, referred to a Democratic President of the United States, Franklin D. Roosevelt. The Senator from South Dakota said Mr. Roosevelt held office as President longer than any other man in the history of our country. Of course, time after time I have heard Democrats speak quite well of Mr. Roosevelt, and I have been one of them. I find nothing wrong in President Roosevelt's program on agriculture. Many times I have said that I thought Franklin D. Roosevelt was as fine a friend as agriculture ever had in the White House. But I can recall that it was in the administration of Franklin D. Roosevelt that flexible price supports first became effective. I think it is worthwhile to remember that. In the Agricultural Act of 1938 we had price supports which were flexible from 52 to 75 percent of parity. Today we tend to forget that fact. So, Mr. President, when we say that the man who at the moment is Secretary of Agriculture has given the American farmer price supports which can flex only downward, frequently we are tempted to forget the fact that there was a previous time, when there was also



a provision for flexible price supports. It was when a President who was nominated 4 times by the Democratic Party and elected 4 times by the American people was in the White House.

Mr. CARLSON. Mr. President, will the Senator from New Mexico yield to me at this point?

Mr. ANDERSON. I yield.

Mr. CARLSON. I appreciate the Senator's reference to the situation in 1938, 1939, and 1940. Some of us remember those years very well. Is it not the history of the flexible price supports which we had at that time, that they did not reduce production?

Mr. ANDERSON. Yes, I do not think they reduced production, because we had not reached the point where the farmer was getting parity. In that period of our agricultural existence we were only trying to give the farmer a support level so that he could have orderly marketing of his crops. It was when we arrived at the concept of paying the farmer from the United States Treasury, the concept of producing crops for the Treasury, and not for the trade, that we began arguing about levels of price supports. One of the first agricultural votes I cast in the Congress was for a 90-percent price-support level, which at that time was designed, I thought, to be a stimulant to production and a guaranty to the farmer. That was relatively late—in 1941 or 1942. But during all the previous years, when we had been dealing with this problem, we had not been trying to establish a support level which was so high that it supplanted the market place.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Is it not a fact that, disregarding the question whether high or low supports increase or reduce production—and I believe that high supports do increase production, although I am not so sure that low supports decrease it, because every farmer likes to raise as big a crop as he can—when prices are made realistic, consumption and disposal increase tremendously?

Mr. ANDERSON. I think that is true.

Mr. AIKEN. The situation relating to dairy products is one of our most recent examples. When the price of butter was such that the consumer had to pay 80 cents or more a pound, the consumer went on strike. The dairymen lost 500 million pounds of our butter market. When the price was reduced 8 cents a pound, in 2 years time they recovered 300 million pounds of the 500 million pounds of lost markets. So realistic prices do increase sales and consumption, whether or not they decrease production.

I may also say that so far as high prices are concerned, they do definitely increase production. We had a little experience in New England last fall. Following the very hot weather in August when milk became scarce, the price went up, and it looked as though the price of milk would hit \$5 a hundred in September. The dairy farmers increased their production so much to take advantage of the \$5 price, that the expected increase did not materialize at all.

Instead of an increase of 66 cents a hundred, they got an increase of about 4 cents a hundred. Through the fall, when milk was selling at \$5 a hundred or more, the farmers fed extra allotments of grain to their cows. They went into Canada and bought a great many more cows than usual, and brought them in and milked them. Some of the cows which were brought in in September were probably paid for by the first of February. However, the upshot was that production was increased, and they had to take a lower price this spring. Now the price is dropping. The dairy producers are disposing of their cull cows. They are selling something that should have been sold some months ago.

Consequently, it looks as though next fall the price would be back up to a very satisfactory level. I hope the experience of last fall will not be repeated. I hope that dairy farmers will not have more cows producing more milk, bringing about a lower price a few months later.

Mr. ANDERSON. I will say to the Senator from Vermont that when we were holding hearings on the general farm program for 1954 I asked about this very question, as appears on page 1258 of the hearings. I pointed out at that time that the announcement of a high price level meant that the total number of milk cows had jumped from 35,270,000 to 37 million in a period of about 4 years.

At that hearing, 2 pages later, the Senator from Minnesota [Mr. THYE] asked the Secretary of Agriculture this question:

Senator THYE. Mr. Secretary, last year you announced the support price at 90 percent on dairy products and we wound up by enjoying about 82 to 84 percent of parity. What is going to be the situation this year with a 75 percent support level? What are we going to wind up receiving?

Testimony was given before the Senate Committee on Agriculture and Forestry a few days ago that the level had reached 86 percent. So it is not the stated level that counts. It is what actually finally happens to the farmer.

The Senator from Vermont and I joined in a resolution in an effort to make sure that the farmer received the full amount of parity—not merely the dairyman who sold his product to the United States Treasury. The resolution did not pass. He and I know why it did not pass. There was a great deal of opposition to it from people who had a stake in keeping agricultural prices from being reflected to the farmer.

The statement was made by the junior Senator from Minnesota a day or two ago to the effect that no one had ever proved very conclusively that high price supports actually stimulate production. I do not intend to deal with that question at very great length, because it is very difficult to trace the relationship between price and production. If, as in the rice industry, for example, there is an enormous expansion in commodity because of a high price level and the absence of controls the producers continue to produce even if the price level drops suddenly. They have to. They have bought new types of rice harvesting

machinery. Collectively they have invested millions of dollars in new machinery. So it requires a long time for the effect to display itself. I have some figures which might be of interest. In the year 1946 we had a very great shortage in linseed oil. Manufacturers of linoleum came to the Department of Agriculture and said, "Our industry will virtually have to close down, and the paint and varnish industry will be in trouble, unless you can find us some linseed oil. There is plenty in the Argentine, but there is none in the United States, and we cannot get a supply sufficient to take care of our needs."

In 1946 the planted acreage of flax was 2,641,000 acres. The price during that year was \$4.04. The then Secretary of Agriculture asked the producers what price would be required to stimulate production. Telegrams were sent to farmers in Minnesota, the Dakotas, and other areas where there is usually a large flax production. The producers said that a price of about \$5.75 a bushel would do it. That was a jump from 115 percent of parity to 160 percent of parity.

What was the result? The acreage jumped from 2,600,000 to 4,200,000 acres. The next year it was 5,100,000 acres, and the following year 5,348,000 acres. The next year prices came down a little, and flax production was somewhat less.

I do not know how we can trace the effects much better than that. Those figures are available, as are figures on a great many other products. The table with respect to dairy products is very interesting. If I have the time I should like to insert a great many such figures in the RECORD.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. The Senator spoke about flaxseed. I invite the attention of the Senator from New Mexico to the fact that between 1942 and 1946 the average price of flaxseed was \$3.01 a bushel. The price went down, and there was a shortage of linseed oil. In 1947 the price was \$6.15 a bushel, and soon there was plenty of flaxseed. The shortage was undoubtedly caused by the fact that the price was only \$3 a bushel over a period of several years.

Mr. ANDERSON. If the Senator is correct, then everyone who surveyed the situation was wrong. Those who came into the office of the Secretary of Agriculture all told the same story: "If you increase the support level on flax you will get an outpouring of flax that will take care of our situation."

I established a level which was far beyond what we had ever had. We got increased plantings of flax immediately, and as soon as we got the figures as to the plantings, we proceeded to buy oil from the Argentine, because the Argentine realized that it was up against a real competitor.

Mr. AIKEN. In 1947 the average price was \$6.15 a bushel. In 1948 the price was \$5.71. There was a tremendous production. We obtained enough flaxseed to last for several years. That has now been disposed of, and the price of flaxseed is again going up this year. The support price is going up. I think flax is



an excellent example of how variations in the support price do cause production to go up or down. Flax is probably one of the best examples.

Mr. ANDERSON. The only difficulty is this: If we try to trace the relationship between price and production with respect to one commodity, we must take into consideration what is happening to some other commodity. When the acreage of cotton and wheat was reduced, there was, of course, an expansion into grain sorghums, rice, and many other products, which did not bear a relationship to the price, but bore a relationship to whether the commodity was or was not under control, and whether the acreage was such that it could be diverted from the production of crops which had been normally grown on those acres to the production of other crops.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. I do not care to enter into a discussion with respect to flax. I am not familiar with that crop. However, I wonder if the Senator will agree with me that when there is a reduction in the price of a farm commodity, the farmer must have a certain amount of income in order to have economic operation of his unit, or at least to live, based upon the cost of labor, machinery, taxes, and so forth. As the price goes down, is there not a tendency on the part of the farmer to try to increase his production, instead of decrease it?

Mr. ANDERSON. Yes. The point is that we try to regulate enormous swings, enormous transfers of acreage. After World War I there was a great reduction in wheat acreage, because the price went down to a ridiculously low figure. For a long time those lands went back to pasture. When wheat prices again rose, we experienced a long-term swing which produced many millions of acres of wheat. Once land is planted to wheat, it is not quickly taken out of wheat production.

The question of agricultural income is one I have worried about for a long time. I have referred many times to the chart which has been placed at the rear of the Chamber, and I shall continue to refer to it, because it illustrates, I believe, that the farm problem is somewhat complex, and cannot be easily solved. Indicated on the chart is the period which follows the base period. Then there will be noted a sharp increase in farm income, as there was also in national income. This point on the chart—indicating the years 1914–20—refers to the First World War, when very high prices for food-stuffs were paid to us by foreign countries.

When World War I was over, immediately there was a terrific down plunge in farm income—indicating 1920–21. Then we had a period during which banks were closing all over the country, and all through the farm areas. Everywhere we turned we saw banks closing, including banks that had always been regarded as very sound institutions—indicating 1921–24.

At that time I was living in a farming community in which 5 of the 6 banks closed. The sixth bank was kept open

by nothing short of brute strength, because the people of the community realized that they had to have some place in which they could do business.

Then there was a long period of years in which farm income and national income stayed fairly parallel—indicating 1924–48.

Then they declined together in the period to which I am now pointing on the chart—1930–32.

Then we had—as is shown on the chart for years 1942–45—a level farm income, because it was easier to control farm prices than industrial prices. At that point it was realized that some adjustment had to be made in all other prices.

Farm prices stayed down. Once the war was over it was possible for farm prices to catch up again with industrial prices, and they stayed together until the end of 1948.

In 1948 we had a tremendous corn crop. At that time there was much of discussion about storage facilities, and much of uncertainty attended the market. Then there was a sharp drop in prices, as is shown by the chart to which I am referring—1948–49.

During the year 1950—beginning in June—we were in the Korean war. The prices of agricultural commodities turned up by the end of the year.

In 1951, because of demands for additional supplies, prices turned sharply up. In 1952 they started down again. Then they went very sharply down and have continued downward.

What I hope the friends of farmers will realize is that most of the drops I have shown on the chart came about under 90-percent price supports.

If 90-percent price supports are the absolute guaranty that some people think they are, why did farm income drop away so drastically from all other income? In the recent drop only two commodities were below 90-percent support levels; whereas the great bulk of the commodities were at 90-percent support levels.

The very least one can say is that 2 big drops came under the 90-percent level, and 1 drop came in part under flexible price supports.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LANGER. During which of these years was the Senator the Secretary of Agriculture?

Mr. ANDERSON. That is a loaded question. During this period shown on the chart—1945–48.

Mr. LANGER. Did prices go up or down?

Mr. ANDERSON. They went up. However, I must say to the Senator from North Dakota that the prices went up because we removed controls, and because we had enormous requests for agricultural commodities from other countries. Those factors simplified the problems of the Secretary of Agriculture at that time. In other words, it was not hard to be Secretary of Agriculture at these points—1914 and 1947—on the chart, but it is very hard over here—1952–56.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. O'MAHONEY. Will the Senator from New Mexico explain what the policy was between 1930 and 1940, when the farm percentagewise income twice reached the same level as the national income?

Mr. ANDERSON. I believe it was due to a brief attempt to reenact something to take the place of the old farm bill—

Mr. O'MAHONEY. The McNary-Haugen bill?

Mr. ANDERSON. Yes, but I am thinking primarily of the Federal Farm Board. That came into effect along about here—1931—on the chart, and it had something to do with trying to stabilize the market. It did not work. The Farm Board could not buy enough to keep track of it, and prices went down materially.

In 1933 and 1934, the farmers insisted upon some kind of agricultural control. Many people at home and in Washington were clamoring for something, and there was enacted the Agricultural Adjustment Act, with a processing tax. The Supreme Court knocked it out. Down came agricultural income. Then there was some strong testimony in 1936 and 1937 in behalf of a new farm program. I am happy to say that there was bipartisan support for the movement on both sides of the aisle, and there was some assurance that a good farm bill would be enacted. It was enacted in 1938.

Mr. O'MAHONEY. Was that the Soil Conservation Act?

Mr. ANDERSON. It involved soil conservation; yes. It was the Agricultural Adjustment Act of 1938.

Mr. ELLENDER. With price supports. Is that correct?

Mr. ANDERSON. It involved price supports of from 52 to 75 percent.

Mr. O'MAHONEY. How does that program, which was so successful, differ from the program which is now being offered?

Mr. ANDERSON. The supply of cotton in the United States reached almost a record peak in these years—1936–38—on the chart, and it was not possible, apparently, to find markets for it, and for a great many other agricultural commodities.

At that time Henry Wallace went before the American farmers and to Congress and asked for a soil bank. His thesis was that when the ever-normal granary begins to overflow, we should store the grain in the soil. In that period Henry Wallace steadily contended that Congress had to do something about the establishment of a program which would allow the Government of the United States to pay a man not to produce something.

Of course, the Senator from Wyoming may remember that in that period there was a good deal of discussion of Henry Wallace's proposal to plow under every third row of cotton, and there was a great deal of discussion about what he wanted to do to little pigs.

Interestingly enough, when the present Secretary of Agriculture recently testified on the soil-bank proposal, someone



asked him what he intended to do about wheat already planted. He said it could be plowed under and used as green manure.

Henry Wallace said cotton could be plowed under.

Strangely enough, the same persons who criticized Henry Wallace for suggesting the plowing under of cotton are not now so critical about plowing under wheat.

At that time Henry Wallace recognized the fact that we would reach the point where we would not be able to control agricultural production merely by levels of price supports or anything of that nature, but that it would be necessary to enforce acreage allotments, and he also proposed that there be established something that is almost identical with what we now call the soil bank.

Mr. O'MAHONEY. It was not adopted.

Mr. ANDERSON. It was not adopted. It ran into vigorous opposition because Mr. Wallace was associated with the program of milk for Hottentots, and things of that nature. Of course, I do not know the difference between sending whole milk to Hottentots and sending condensed milk to Hottentots. It all goes to the same "tummy." But, as the Senator will remember, Mr. Wallace was under considerable fire at that time because of his proposals.

If I had the time I could deal with what he said about acreage and point out that excess acreage is still a problem. This country is faced with an excess of from 10 million to 25 million acres of crop land, which should be left idle.

Mr. O'MAHONEY. I was dealing with the Senator's graph more than with the history of the Wallace proposals. About 1939 the line of the farmer's income began to turn up again, did it not?

Mr. ANDERSON. Because of contracts, when we were rebuilding our war plants.

Mr. O'MAHONEY. We were beginning to be drawn into World War II at that time.

Mr. ANDERSON. We were beginning to construct airbases and factories.

Mr. O'MAHONEY. So that it was necessary to get more production from the farms at that time, rather than to restrict production, was it not?

Mr. ANDERSON. That started the curve of national income going upward. One of the things we have learned is that the best market the farmer has is probably his domestic market. When workers are earning good pay they purchase more agricultural products. There is nothing in the world in this respect that takes the place of a good paycheck. When the Department of Agriculture sent a team to England in 1939 or 1940 to try to make a study of what happened to England when it got into the war, the group brought back a little pamphlet entitled "The Theory of Underconsumption." It dealt with the problem which arose in England as soon as workers began to receive good salaries.

The first thing a worker does when he is put on a good salary basis is to stop eating only flour and potatoes; he begins to buy other types of nourishing food, foods which are not only nourishing to him, but are beneficial to his family.

Mr. O'MAHONEY. Then increased consumption by the American worker has nothing to do with the present plight of agriculture?

Mr. ANDERSON. No. But in the period I have referred to we began to see an extra quart of milk at each door. Two quarts of milk instead of one quart were consumed.

I should like to remind the Senator from Florida that when the worker reaches his highest point of financial return he makes the greatest demands on extra nutritious fruits, such as citrus fruits and other commodities of that nature which are produced so abundantly in the Senator's State of Florida. It depends upon the level of income. When the American workingman reached that level he realized that the things he had to discard when he was short of money were the very things his children should have had.

Mr. AIKEN. Mr. President, will the Senator from New Mexico yield at that point?

Mr. ANDERSON. I yield.

Mr. AIKEN. I noticed the Senator from Wyoming stated that the increased standard of living had nothing to do with the present plight of agriculture. I would say that the increased standards of the American consumer are going to have a great deal to do with relieving the plight of the American farmer. For instance, when the price of hogs dropped to about 12 cents a pound the consumption of pork started upward, and in the past 2 months, whereas consumption had been approximately 64 pounds per person, it has gone up to 80 pounds. But even though we produce as many hogs as we did last year, it is rather unlikely there will be a better price in the market because of the increase in the consumption. It may not have an immediate effect on the price paid the farmer, but in the course of a few months or a year it should have considerable effect.

Mr. O'MAHONEY. A beneficial effect.

Mr. AIKEN. As the Senator knows, the consumption of beef increased very rapidly after the decrease in the number of cattle which was anticipated did not materialize.

Mr. O'MAHONEY. Increased consumption, by and large, is beneficial to the farmer.

Mr. AIKEN. There can be no question about that.

Mr. ANDERSON. We can all agree on that. It is the one great market the farmer has. We cannot blame the plight of the farmer upon what happens in an individual case.

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield at that point?

Mr. ANDERSON. I yield.

Mr. ELLENDER. Before the Senator leaves the point he has been discussing, I wonder if he would answer a question or so as to the effect about which he has been speaking. We have noticed that around 1940 and 1941 there was a slight rise in the income of the farmer. Necessarily that was because of the fact that people bought more and ate more.

Mr. ANDERSON. Yes.

Mr. ELLENDER. To what does the Senator attribute the rise up to the highest point in, say 1948?

Mr. ANDERSON. I said, frankly, that I attributed it to the fact that there was a tremendous demand for agricultural products, and price controls had been taken off.

Mr. ELLENDER. Consumption was at high levels both at home and abroad; was it not?

Mr. ANDERSON. The Senator is quite correct. As a matter of fact, we had to export 500 million bushels of wheat during that period, and the Government paid more than \$2 a bushel for it—in some instances as much as \$3 a bushel.

Mr. ELLENDER. Will the Senator tell us at what period, from 1940 on, price supports were imposed which tended to increase production?

Mr. ANDERSON. I have felt many times that the imposition of 90 percent supports in that period of years helped to increase production. If it did not, then Congress wasn't very wise, because Congress passed a 90-percent support resolution, and stated the purpose at the beginning of the resolution to be "to increase production immediately."

Mr. ELLENDER. I suggest to the Senator from New Mexico that I placed in the RECORD last week some excerpts from speeches made by those who asked for higher price supports, and they were asked not only on the assumption that they would encourage production, but in order that the farmer might receive his fair share of the national income. Does the Senator disagree with that?

Mr. ANDERSON. If I can find the so-called Steagall amendment—

Mr. ELLENDER. That is what I had in mind.

Mr. ANDERSON. Was it not initiated with the idea of an immediate increase in production?

Mr. ELLENDER. It dealt with non-basics.

Mr. ANDERSON. I hope the Senator from Louisiana does not feel that the chart I have here relates only to basic commodities, which represent a very small portion of the national income and farm income.

Mr. ELLENDER. I presume that the Senator is trying to demonstrate that high price supports had a great deal to do with the ups and downs in agricultural income, particularly after 1948, about which he has been speaking.

Mr. ANDERSON. No. I tried to show that the drop in 1948 came about when there were 90 percent supports, and the later drop, theoretically, was when flexible price supports were operative, but the support price was nearly always 90 percent.

Mr. ELLENDER. Does not the Senator agree that in 1947 there was no limitation on what a farmer could plant?

Mr. ANDERSON. No; I cannot agree with that statement.

Mr. ELLENDER. There were practically no allotment programs until 1950, as I recall. The sky was the limit on production. And prices were up. As a matter of fact, the 90 percent support law meant little to the farmer, because



nonbasics, as well as basics, were selling at over 90 percent.

Mr. ANDERSON. I realize that most commodities were not under control, but it is my impression that tobacco remained under control a good deal of that time. I think some other commodities remained under control, but most of them were uncontrolled. I grant that.

Mr. ELLENDER. Was not the drop in 1948, to which the Senator has referred, due to the fact that large surpluses had been accumulated during the war, and that sales had diminished to the point where surpluses were unmanageable? Would not the Senator agree to that?

Mr. ANDERSON. No; I would not, because at the end of 1947, if the Senator will look at his statistics, we had swept the cupboard clean so far as wheat was concerned. We went down to the lowest carryover of wheat the country has ever known—to 87 million or 89 million bushels. That was true as to a great many other commodities.

If the Senator wants my explanation of the 1948 situation, it is rather simple.

Mr. ELLENDER. I should like to have it. The Senator indicated it was due to the 90-percent supports, or had something to do with the 90-percent supports.

Mr. ANDERSON. No; I did not blame it on 90-percent supports in the slightest.

Mr. ELLENDER. To what did the Senator attribute the condition?

Mr. ANDERSON. I said these things happened when there were 90-percent supports, and they happened when there were flexible price supports.

I blame it on the large corn carryover. Of course, I am speaking only from memory; I do not spend as much time on the statistics today as I once did. But there was a corn crop of 3,600,000,000 bushels, when he had had 3 billion bushels the year before. We had the greatest outpouring of agricultural commodities, and as a result there was a rumor throughout the land that agricultural prices needed to be shaken down.

I shall not go into all the details, but a former Governor of New York and former Governor Stassen emerged from a conference, and the Republican candidate for President made the statement that agricultural prices needed to be shaken down. Shortly thereafter the Secretary of Agriculture dropped out of the market and did not do much buying. I do not know who ought to be blamed, or whether anyone should be blamed.

Certain persons have said that if the Secretary of Agriculture had continued to buy corn when the corn crop was harvested the situation which ensued might not have resulted.

But between politics on one side\* and agricultural economics on the other it was not possible to determine who was responsible. However, the farm program became squarely involved in a national election, and there was a great deal of comment about whether farm prices should be shaken down or not shaken down, and the farmer got blamed for what happened.

Mr. ELLENDER. But the Senator is not blaming what happened on price supports, is he?

Mr. ANDERSON. No; I am not.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield.

Mr. CARLSON. I notice that farm income as shown on the chart has dropped very rapidly from 1951, when it was more than \$19 billion, to \$11 billion in 1955.

Mr. ANDERSON. I think in 1952 it was actually \$17 billion, and net farm income was down to \$10.6 billion at the end of 1955.

Mr. CARLSON. I was simply trying to picture the figures at the distance I am standing from the chair.

I should like to inquire about the millions of acres which farmers took out of allotment acreages. For instance, with respect to wheat, it was 23 million acres. We find that 16 million acres of other crops—corn, oats, barley, and sorghum—did not bring a greatly increased production of livestock, which would have seriously affected the income of the farmers of the Nation.

Mr. ANDERSON. Yes, it did exactly that. The interesting thing is that it produced a shift in the spot where livestock production might be expected to have been the highest. I am not referring now to the range country. But back in the period to which we are referring it could safely be said that more beef would be made—fatted beef at least—in the State of Iowa than in any other State. Yet the average number of cattle on feed on an Iowa farm was 10. That was not our concept of large feeding operations at all.

Yet when other crops and other commodities were developed in other areas of the country, agricultural production and beef production began to shift into new locations; and the people who had been in business for a long time found themselves with a whole new crop of competitors. The result is that a very bad livestock situation exists.

I do not think it was possible for feeders to make any money until the last year or so because of that factor. In my opinion, so long as the problem of diverted acres stares us in the face—and I look now at the Senator from Florida [Mr. HOLLAND], who has proposed that something be done about diverted acres—we shall continue to have all sorts of agricultural distress and loss of agricultural income.

Mr. CARLSON. On that very point, is it not reasonable to assume that it makes no difference whether there is rigid parity or flexible supports, when a situation of that type arises, and the production of commodities or crops is shifted from one area to another area?

Mr. ANDERSON. I have said, time after time, that no agricultural program will work with the kind of surplus situation that exists at present. I do not care what kind of program is in force; it will not work.

I was about to refer to rice.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. In August 1952, I think, the parity level of farm income was about 113 percent. I am not certain whether the month was August, but, at any rate, the figure has dropped from 113 percent

to 80 percent in December 1955 and January 1956. Now it is up to 81 percent.

I do not know if we can point specifically to any month when the flexible price supports took effect, but let us say it was about the middle of last summer.

Mr. ANDERSON. It was only to a very minor extent.

Mr. AIKEN. Of the 33 points drop in farm income, approximately 29 or 30 points took place when the 90 percent supports were in effect. The drop since that time has been due largely to the drop in feed grain and hog prices.

The drop in feed grain and hog prices is due primarily to the fact that the wheat producer was required to cut out some 24 million acres which he used for producing wheat and plant it in feed grains, which broke the price of feed grains and the hog market. One can trace that directly, without having to do much tracing, either. It is due directly to the high rigid supports which induced overproduction of wheat.

Mr. HOLLAND. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I particularly appreciate the Senator's reference to the amendments which I have offered in the past seeking to provide compulsory handling of diverted acreage so as to prevent the happening of what has happened recently. Diverted acreage has brought headaches to the producers of other crops—both to the producers of allotted crops and the producers of unallotted crops. One result has been the production of so much feed grain, for instance, as to greatly increase the supply of cattle and other livestock, which has brought headaches all the way down the line in the field of agriculture.

I should like to ask the distinguished Senator from New Mexico if it is not true that one of the reasons for objecting to some of the provisions of the pending bill is that, along with the proposed restoration of 90 percent price supports, which is the greatest possible inducement to overproduction, the bill does not propose a strict across-the-line compliance which would do away with the very abuses to which the Senator has so properly adverted.

Mr. ANDERSON. I agree completely with that statement. I say to the Senator that one of the difficulties with the farm program is that while practically everybody says he is in favor of putting controls on agricultural prices, actually that will not be done, because when we get down to the question of whether or not we will stand for a program, Congress may adopt one, and the President may sign the bill, but the program will be kicked out before adequate opportunity is afforded to see whether it will work. It is not possible to have enormous overproduction year after year and not have a drop in farm income. That is why, unless we decide to do something effective and stick to our plan, we shall not get rid of the problem. We must get rid of the farm surpluses and bring production under control. When that is done, we shall have a price range which will be above parity, where



it was before we were confronted with the problem of surpluses.

We cannot refer to the surplus question and say it is due to the piling up of commodities under a previous administration.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. Does the Senator believe the soil bank can be made operative in this calendar year so as to affect to any great extent the surpluses, or potential surpluses, should weather conditions be favorable?

Mr. ANDERSON. I do not know whether it can be effective now, but with a fairly high range of supports, no soil bank will become operative. The only way a soil bank can be made operative is to make it mandatory, and then it will work only if the temptation to evade all controls is not too great.

If we are going to try to trim down, we must do it on some sort of mandatory basis, and in order to make it work, we must expect that the farmer will profit from it. That is why I say it cannot be made operative unless something is done about the surplus situation. If we allow the storage of rice without some disposition being made of it, and then establish a soil bank for rice, the farmer is not going to be interested.

Mr. THYE. Does the Senator believe that farm prices will correct themselves in this calendar year, and not drop lower? Will a lower price not go into effect as the first application for a wheat loan or corn loan is made in the calendar year 1956?

Mr. ANDERSON. I do not know. It will depend on what the Department of Agriculture decides to do on two fronts. If it decides to dispose of surpluses, and really attempts to do so, and not merely sweep them under the rug, then I think farm prices will improve.

As the Senator probably knows, I was the only Senator who voted against the set-aside when it was put into the last law. I do not believe a set-aside which pushes the surplus away, but leaves it in existence, is going to have a good effect. People who are smart enough to trade in grain stocks know that, so long as 29 million hundredweight of rice are on hand, establishing a soil bank is not going to give good results.

Mr. THYE. I heartily agree with the remarks of the distinguished Senator from New Mexico. There cannot be any question that surpluses are an overhanging threat to our markets. The Senator from New Mexico and I are in full agreement that this is the serious problem with which we are now confronted. My only concern is that we in the Midwest are in a surplus producing area, and we do not have a vast population which is able to consume our production, as is true in the East and in other areas. Therefore, the farmers in our area are immediately confronted with the problem that a price drop of 27 cents a bushel for wheat and a price drop of 18 cents a bushel for corn this year will be reflected in price reductions of feed grains.

Until there is a reduction in overall production, prices are going to continue

to drop. That is the reason I believe that in this crop year of 1956 we need the so-called 90-percent price supports to keep prices from going lower.

My good friend, the Senator from Florida [Mr. HOLLAND] felt that I should not be advocating a 1-year extension of 90-percent price supports. He said I might be accused of doing so for political reasons if I suggested it be done for only 1 year. Well, the Senator from Florida was kind to me. He was trying to do me a service, so I would not be accused of making a move for political reasons, and he cautioned me against suggesting that it be done for only 1 year. Consequently, the provision for 2 years was written into the proposed legislation, so as not to bring a political question before us.

The Senator from New Mexico and I know positively that it is the surpluses burdening our national markets which have weakened prices, in the face of the Nation's prospering economy, with record-breaking wholesale and retail sales, and the greatest purchasing power on the part of the consumer which has ever been seen. Therefore, if we could erase the surpluses, our agricultural commodities would reflect, I am sure, 100 percent in the market place.

Mr. ANDERSON. When the Senator says that, he strikes a very responsive chord, if we could just erase the surpluses. On the first day the Senate was open for business I introduced a resolution, in the hope of providing a definite plan for the disposition of surpluses. It contained a provision that the Secretary should report 60 days after a certain law became effective. But by that time we would be through another crop year.

What I wanted to do was to have a program adopted which would pledge the Secretary not to allow one bale of cotton over a certain good housekeeping level to flow into the markets; to take away everything above 3 million bales and agree to move it into other markets, as we are starting to do now. If he would do that, and see to it that in 4 or 5 years of proper disposal we got rid of surpluses, we would find it the greatest stimulant for better prices we ever experienced.

I read what the Senator said about dairy support prices, to the effect that, although the level was fixed at 90 percent, the price received was about 83 or 84 percent. That is correct. I am prepared to say that even trying to fix a high level will, in the end, work against the farmers. I think the best thing we can do for the farmers at the present time is to make a pledge to get rid of the surpluses, and require the Secretary to try to get rid of them within a period of not more than 5 years, and preferably within 4 years. True, it will mean enormous losses, but the very large loss today is being taken out of the hide of the farmers. I think the very first thing we need to do is get rid of the surpluses, and the second thing is adopt a mandatory soil bank that would absolutely shrink acreage and give the farmers payments for it.

Mr. THYE. Mr. President, will the Senator yield further at that point?

Mr. ANDERSON. I yield.

Mr. THYE. I share the conviction of the need for a mandatory soil-bank program. I advocated it 3 years ago, and I was ridiculed by some and accused by others of trying to regiment agriculture. But everyone who has any commonsense and who applies it in connection with farm operations and farm production, knows that our farm plant has been too large, and that there is only one way to bring production down, namely, by decreasing the number of acres which are tilled. If that is done, of course, many of the young couples whom we would like to keep on the farms will have to stop farming.

They will be eliminated because their credit is limited, for one thing.

But I should like to ask the distinguished Senator from New Mexico—who probably is one of the best informed persons on agriculture in the United States—whether he believes that the 90 percent supports are a factor in the development of the surplus.

Mr. ANDERSON. I do not like to start debates, but I think that is so.

Mr. THYE. Then I should like to ask this question: In the 1920's, we did not have any kind of farm program. At that time we did not have price supports; we did not have acreage allotments; we did not have any mandatory provisions. During those years we had very little knowledge of the use of commercial fertilizer. At that time our corn planters were still set at 42-inch rows, and some of them were set at 44-inch rows. At that time we did not have any modern machinery, such as the efficient combines which are in use today. Yet, if we read the debates which occurred on this floor in 1924, 1925, 1926, 1927, and 1928, we find that they are almost identical with the debates we are having today as we discuss the question of why the surplus must be controlled, and what has caused the low prices in the marketplace. At that time there was no farm program; yet that was the question which was before the Congress. I know the Senator from New Mexico is aware of that fact.

That is why today I am in complete accord with the soil-bank provision, and that is why I am in complete accord with the provision for \$250 million to move the surpluses, and that is why I am in complete accord with what the Senator from New Mexico says, namely, that we must get rid of the surpluses, and that we should make it mandatory for the Department of Agriculture to take steps to get rid of them. I share the view of the Senator from New Mexico.

However, knowing that in the 1920's and early 1930's we accumulated surpluses, although at that time we did not have a farm program, I am at a loss to know how anyone can say that 90 percent supports were the incentive which brought on the surpluses with which we are confronted today.

Mr. ANDERSON. I say to the Senator from Minnesota that I have tried to keep from bringing that question too firmly into consideration here. I have a conviction about it, and so does he. I have been trying to say that I do not believe we shall solve the farm problem by trying to tie a tag to one particular



thing or by necessarily adopting one particular recommendation.

We have four large farm organizations. I am sure all of them try to help the farmer. In their recommendations, they are split apart as far as they possibly can be. The Farmers Union favors 100 percent of parity and unlimited acreage, and so forth. The Farm Bureau wants a mandatory soil bank and flexible price supports. Under those circumstances, I do not know how to expect the Members of the Senate or the Members of the House of Representatives to know what is best.

In the second place, I wish to point out that in the Committee on Agriculture and Forestry—as the Senator from Minnesota knows—we had more splinter parties than does the Republic of France. In the committee we were dividing almost entirely on every vote—showing that it is very hard, and I say it sincerely, to come into agreement on many of these matters.

However, there must be a few fundamental things upon which we agree. I do not object to the level of price supports the farmer gets, if we give him a chance to help solve the problem. But we shall never give him a chance to do that if we do not get rid of the surpluses, in the first place; and, second, if we do not have machinery by means of which to keep production under control.

In the Joint Committee on Atomic Energy we have heard testimony to the effect that by means of the use of atomic energy it will be possible to increase tremendously our agricultural production from the same number of acres now under cultivation. Under these circumstances, are we going to allow our agricultural production to go higher and higher? Furthermore, I understand that the Department of Agriculture has made studies which show that there is enough known technology, now unused, to boost the national average yield of cotton up to 700 pounds to the acre. If that happens, and if at that time we still have 18 million acres of cotton under production, and if each of those acres produces an average of 700 pounds, what shall we do with the surplus then?

Mr. THYE. Mr. President, the distinguished Senator from New Mexico is bringing out some very pertinent points in connection with the agricultural problem.

I know, and I realize the distinguished Senator from New Mexico also knows very well, that today's dairy animal is the result of intensified breeding. At first that animal was intended by the Creator to furnish sufficient milk only to feed its offspring. But today we are aware of the much greater production that has been accomplished by means of scientific breeding. Similarly, we know that tomorrow our experiment stations will develop new varieties of grains, and will increase the production of grain. There is no question about it. Furthermore, the atomic-energy era will further expand our production.

But the point is that so long as the farm plant has the potential of producing more than we can consume domestically or more than we can barter

or dispose of in the international field, then in some manner we must assist the producer in an orderly way to bring the farm plant to a proper size. Congress must assist in that work, because no individual farmer can accomplish that. The Senator from New Mexico may have gone out of the dairy business, as I think he has—

Mr. ANDERSON. Yes, I have.

Mr. THYE. But his going out of the dairy business did not limit dairy production in his vicinity.

Mr. ANDERSON. No, indeed.

Mr. THYE. Another farmer may have gone out of the pork-production business, but that does not limit the Nation's production of pork. There must be a national program, and the Government is the only one that can initiate it and assist in its formulation.

The soil bank and the other provisions of the pending bill constitute the first sound, intelligent approach I have seen to solving the farm problem. I say that in all sincerity, and this is my 10th year of service here. Furthermore, I know something about farming, even though I have been classified as a chicken farmer. Nevertheless, I do know something about general farming.

I know that the farm plant will not be reduced in size sufficiently until we retire from production some of the acreage now under cultivation, and that must be done even before the atomic era comes into application in connection with farming.

The Senator from New Mexico and I know the farm problem. He is a former Secretary of Agriculture; and not only does he have a basic knowledge of the Department of Agriculture and of agricultural production and research activities, as carried on through the Extension Service and the experiment stations, but he also has had broad experience in practical operations in these fields. He and I differ on two points. I favor 90 percent of parity for 2 years, until the surplus is disposed of. He favors flexible price supports at once, to be applied in 1956, by means of announced supports on wheat, corn, rice, cotton, and so forth. So he and I differ only in regard to what might amount to 3 or 4 percentage points in the case of supports. Otherwise, he and I are in complete accord in regard to the fundamentals of the pending farm bill.

I criticized Secretary Brannan when he was Secretary of Agriculture because he did not dispose of pork when we had a surplus of it in 1951 and 1952. We have already noted the criticism of the past year. We know what the pork situation is at the present time. The Department has bought pork, and it has disposed of or assisted in disposing of surplus pork. Today for the first time we are making an intelligent approach to bringing the farm plant into balance with domestic needs. If we bring it into balance we can throw price supports out the window, because we shall never need them.

I thank the Senator for yielding.

Mr. ANDERSON. I agree with the Senator that if we do those two things

we shall never have to worry thereafter about the level of price supports.

Mr. THYE. Positively not, because they would be a forgotten factor if it were not for the surpluses which are depressing the national markets.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ALLOTT. When the colloquy started between the Senator from New Mexico and the Senator from Minnesota the Senator from Minnesota asked a question, and I should like to go back and ask the converse of it. The question, in substance, was this: Does the Senator from New Mexico believe that if the bill were passed with flexible price supports, it would permit the acreage to be reduced, and would have some force and effect on farm prices this year?

I should like to ask the reverse of that question. I am well aware of the interest of the Senator from New Mexico in the farm problem, and his great knowledge of the subject. In the opinion of the Senator from New Mexico, if the bill were passed with rigid high supports, would that in any way tend to diminish the surplus? Does the Senator know of any way in which it could diminish the surplus?

Mr. ANDERSON. No; I know of no way in which it could.

Mr. ALLOTT. Second, does the Senator know of any possible way that the adoption of such a policy could strengthen the income from farm products?

Mr. ANDERSON. No; I think not, because I believe we would run into exactly the same situation in which we now find ourselves.

Mr. ALLOTT. So we have a choice of two methods of proceeding. I think we are all pretty well agreed as to the surpluses. We can call them reserves for the well-being of the country, or anything else. Nevertheless, they are still stacked up, and they are still depressing the agricultural economy. So we have two choices. If we go one way, there is no chance of helping either the price of farm products or the surplus situation; and if we go the other way, there is a chance of helping both.

Mr. ANDERSON. I think it was pointed out in the hearings that the corn price-support level was \$1.34 or \$1.35 in one of the counties of Minnesota. Someone asked what the market price was. The price was \$1.10. I do not know what good the support price did, so long as the farmer was receiving \$1.10.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. ANDERSON. Yes; but I wish to continue to yield to the Senator from Colorado.

Mr. THYE. The Senator referred to Minnesota. I thought I probably could add to the discussion by saying that the man who complied with an acreage quota could obtain \$1.51 as a commodity loan on every bushel of corn that qualified for sealing. That is a long way from \$1.05 or 85 cents a bushel.

The man who did not qualify, the man who planted as many acres as his land would permit him to plant, was not qualified to get a commodity loan. He had to take what the cash market offered him.



He figured that he could gamble, and probably get more money at the end of the year by staying out of the program than by going into it.

Mr. ANDERSON. I remind the Senator from Minnesota that the Secretary of Agriculture testified that 76 percent of the farmers did not comply. Noncompliance was not limited to some casual farmer down the road. Three-fourths of the farmers would not go under the program.

Mr. THYE. Mr. President, if the Senator will further yield, had there been a soil-bank program in 1955, through which the farmer could have had some place to put his diverted acreage and receive some return with which to pay his taxes, interest, and overhead, he would have been in compliance. But with no soil-bank program, he could not afford to comply, and therefore he did not. Consequently, I say that we must have a realistic approach to this whole question in order to resolve the surplus problem. The soil-bank plan is that approach.

Mr. ANDERSON. By the same token, if Congress had adopted the realistic farm program passed by the Senate in 1948 and allowed it to become law, we would not be in the fix we are in today. We start on these programs, and abandon them halfway down the road.

Mr. THYE. The soil-bank feature was not in the 1948 act. I say that as a practical approach, if we deny a farmer the right to grow an acre of corn, an acre of wheat, or an acre of cotton, and do not establish penalties with respect to the use of such diverted acreage, he will shift into sorghum grains in the Southwest, into barley and oats in the Northwest, and into either soybeans or corn in the southern cotton area. The result will be that we shall be only shifting the responsibility for surpluses from one area to another. When the agricultural plant is too big, it can be reduced in size only by intelligently controlling acreage and the production of farm commodities.

Mr. ANDERSON. Many of the things involved in the soil bank can be done under existing law. Very little additional law is needed to make it work.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ALLOTT. I think the point I wished to make has been pretty well covered, but I desire to repeat it. With the present support price on corn, under the present situation there is only 76 percent compliance.

Mr. ANDERSON. There is only 24 percent compliance.

Mr. ALLOTT. Seventy-six percent of the farmers are out of compliance, which accounts for the low price of corn.

Mr. ANDERSON. That is as I remember the testimony.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. I concur in the statement of the distinguished Senator from Minnesota [Mr. THYE]. I think he very accurately described the problem which confronts a great many

farmers of South Dakota. His statement expressed the real problem.

I am informed that there will be less compliance with respect to corn planting next year than there was last year. A 15-percent acreage reduction has been announced.

Mr. ANDERSON. The allotment is 43 million acres; and the least we can expect is that 55 or 56 million acres will be planted.

Mr. CASE of South Dakota. That creates a terrific problem for the man who has an investment in a corn picker and other equipment. I think the percentage of compliance in South Dakota in 1954 was 40 percent. In 1955, it was possibly 50 percent. This year, however, it may not be as much as 10 percent. The farmer simply cannot get enough income to meet his fixed expenses. That is where he is caught.

Let me pose one question to the Senator from New Mexico. I heard the able Senator from Minnesota [Mr. THYE] speaking of the soil bank plan as something to assist in making the transition. He was in favor of a 2-year continuation of the 90 percent program, in order to provide a period of transition. I recall hearing the Senator from New Mexico state—or perhaps I read a statement to that effect attributed to him—that for once he would like to see a farm bill passed before the farmer has his crops already in the ground.

Mr. ANDERSON. I have said that, and I agree with the Senator, I say that if the soil bank is ever adopted by the Congress, it will be a voluntary plan, under which I may announce that I am going to reduce my acreage; and when my neighbors reduce theirs, I go ahead and plant as much as I can.

Every farmer will think he will outfox his neighbor. We cannot blame them for it, either, because they are all in the same situation the Senator is talking about. If we do not get the law passed before the first of April, then of course it will be too late to have it do any good, because crops are being planted in many areas of the country.

Mr. CASE of South Dakota. With respect to wheat, in some sections of our country winter wheat is raised, and in other sections spring wheat is raised, and it is impossible to fix the exact date. Therefore, it seems to me that there is a sound basis for a provision in the bill which will assure the farmer a cash income which will help him meet the price squeeze in which he finds himself. Whether it should be a program of 1 year or 2 years, or for a different period of time, I do not know. However, it seems to me that a transitional period is necessary.

Mr. ANDERSON. We went all through that in 1948. At that time, the able Senator from Vermont [Mr. AIKEN] introduced a bill on a bipartisan basis, because it was sent to him by the then President of the United States, and the President had received it from the Department of Agriculture. A great many persons thought it was a sensible proposal. We got all the farm organizations together, and they all agreed to a modernized parity and flexible price support

program. Of course some of them changed their minds later on but all of them at that time were in agreement. The Senate passed the bill. However, in conference, the House said, "Give us 1 more year. Give us 1 more year. We will not ask for an extension again."

Mr. CASE of South Dakota. I recall being called to a conference at 3 o'clock in the morning on one day.

Mr. ANDERSON. They said, "Give us just 1 more year. We will never ask for it again." We gave them 1 more year.

Then in 1949 the Senate passed another bill. The House had adopted the Gore amendment. Again we went to conference. In conference it was said, "Just give us 1 more year. Only 1 more year. We will never ask for it again. Just give us 1 more year. Just one. Give us just 1 more year."

When that year ran out—

Mr. CASE of South Dakota. The Korean war broke out.

Mr. ANDERSON. Then when that year ran out, we were asked, "Give us just 2 more years. Give us only 2 more years. We will never ask for it again." When we got through that period we were asked, "Just give us 1 more year. We will never ask for it again."

Now we are in the 2-year cycle again. We are being asked to extend it for just 2 more years.

Mr. President, I have no faith in any such proposal. I believe we had better meet the question before all the farmers see their farm income go down to zero.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I wish to say that I cannot too strongly commend the distinguished Senator from New Mexico for the various points he is making. They are all keyed to the principal point, that the surpluses overhanging the market are the principal problem with which we must deal.

The Senator is absolutely correct in his statement that an artificial set-aside or anything of that nature is nothing more than a shell game which both the farmer and the trade who handle agricultural products are much too smart to be taken in by. It is the old shell game of "Now you see it; now you don't. Now you have it under your hand; now you don't." Both the farmer and the men in the trade know that a set-aside does not do away with the menace.

Therefore I join the Senator from New Mexico, first, in his insistence on a quicker handling of surpluses, and that that be made the first undertaking, and the first problem to be met.

Second, I join with him in insisting that the first approach to that problem is through the soil bank. I join with him in believing that it should be on a compulsory basis, rather than on a voluntary basis.

The third point is this. Am I correct in understanding that the distinguished Senator feels that instead of assisting in doing away with surpluses, the restoration of 90 percent price supports for the basic crops for 2 years would do the exact opposite, in that it would give the



maximum inducement and the greatest possible incentive for the farmer to produce just as much as he could produce from his acreage, and to overproduce, in the same way that the potato farmers did once when we were confronted with the same problem?

Mr. ANDERSON. Yes; but I do not believe what the Senator has said applies only to the basic crops. I do not believe that we will be able to get rid of an amendment to take care of lightweight hogs, oats, rye, barley, grain, sorghums, and other crops.

Mr. HOLLAND. I thoroughly agree with the Senator from New Mexico. However, am I correct in my understanding that the Senator feels that restoration of 90-percent price supports for 2 years would do the exact opposite from what it is claimed it would do, and that it would not attack the surplus problem at all, or dispose of it, but would, instead, tend to restore and enlarge the surplus crops to which the 90-percent formula applies?

Mr. ANDERSON. Yes, I believe that to be the case. However, I wish to remind the Senate once more that there is a problem which is far more important than the problem of worrying about price supports, and that is the problem of what we will do with the surpluses.

I had hoped that the Senate would adopt the resolution I had presented to the Senate, so that we could have the Secretary's reply when we took up the debate on the farm bill. We did not do so. However, if we do nothing more than adopt a resolution which requires the Secretary of Agriculture to come back in 60 days to tell us what he will do about the disposition of the surpluses, I do not believe that action alone will affect farm prices supportable by 90 percent. A great many people believe that it would raise farm prices. However, what will we do with 29 million hundredweight of rice—unless we start to give it away?

Mr. HOLLAND. Mr. President, I especially wish to commend the Senator from New Mexico for calling our attention to the fact that the basics are by no means all the agricultural production. They constitute only about 23 percent of the total cash marketings of agricultural production in this country. After taking out tobacco, which is not in argument in this particular debate, only 19 percent is affected when we talk about basics going back to 90-percent price supports.

I wish to ask the distinguished Senator from New Mexico if he believes it is not merely a coincidence that most of the prosperity in agriculture at this time—and there is a great deal of it in particular places and in particular commodities—is in large part derived from agriculture crops which do not fall under the head of basics, but do fall under the head of production in which the farmer still uses some intelligence and still is trying to shape his planting against needs, and is using his ingenuity in marketing and distributing his products and in creating byproducts for which there are new demands?

Mr. ANDERSON. That is correct.

Mr. HOLLAND. Is it not correct to say that the agricultural industries

which show high prosperity at this time fall entirely outside the range of basic commodities, and that there are a considerable number of agricultural industries which are showing high prosperity because they are still planning, thinking, and working for themselves?

Mr. ANDERSON. I submitted for the CONGRESSIONAL RECORD the other day a table showing the citrus fruit situation, with respect to which the State of the Senator from Florida is a very good example. I pointed out that although the citrus production had greatly increased, the producer was not in trouble, because he had found other and new uses for his product. When the domestic consumption of table fruit, or fruit eaten at the table, did not increase, the producer increased greatly the amount of fruit which went into packages, cans, and jars, as well as the sales to other parts of the world. He had to do it because the price support was below 50 percent, and he could not depend on the price-support program. Therefore, he had to find markets.

Of course, it is not so simple as that with some other commodities. I will say that now before my friend, the Senator from Minnesota [Mr. THYE] calls it to my attention. I do say, however, that if we would take care, when bills come to the floor, not to pass apparently little provisions which put us in trouble each time, we might have a better chance later of avoiding difficulties of the kind we are now facing. A short time ago we passed three little tobacco bills. They were signed the other day. I ask Senators to wait and see what those little bills will do. We will soon see what the effect of some of those little bills will be.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from New Mexico for his reference to the citrus industry. I admit that our citrus growers were hard pressed. They have accomplished much for themselves. I am happy, also, to say that theirs is not the only industry which has done much for itself. There are numerous other fruit industries—deciduous fruit and dried fruit, for example—and also other industries like the dairy industry in most parts of the country, which have done much for themselves. Incidentally, the dairy problem is confined largely to about seven States. The other States of the Nation are taking care of their dairy situation.

Mr. THYE. Under Federal orders. Under virtual monopolies. It would not be possible to carry so much as a gallon of milk into certain areas if it were not for Federal orders.

Mr. HOLLAND. I thought the Senator from New Mexico had yielded to me, but apparently I have been laboring under a misapprehension.

Mr. THYE. I am sorry.

Mr. HOLLAND. I see on the floor the distinguished senior Senator from Delaware [Mr. WILLIAMS.] He represents an area which has helped itself to solve its problems. Other agricultural areas which have helped themselves are those of poultry, dairy, small-fruit production, vegetables, garden crops, and others. That has been true in California, Florida,

and in numerous other States where garden crops and small fruits and tree fruits and tree nuts constitute the largest agricultural industries.

I recall that in a recent colloquy my distinguished friend from Minnesota [Mr. THYE] remarked on the fact that my comment in committee was somewhat persuasive to him in getting him to drop his demand for a 1-year continuance of 90-percent price support on the ground that it was so apparently and translucently political that it would show itself.

Mr. ANDERSON. No member of the Committee on Agriculture would be political in any way.

Mr. HOLLAND. I approve of that afterthought statement of the Senator from New Mexico. But I wish to ask this question: Admitting that holding out the prospect of supports at 90 percent of parity for 1 year is a tremendous political bait in certain areas for certain people, does the Senator think that doubling the bait and making it applicable for 2 years, not only for this year but for next year, and saying, "We who are fighting for you are going to put your business on a basis of 90 percent price supports," is any less political or less persuasive as a political argument in those areas to those people who, I think, are very few in number, but who are susceptible of political persuasion in this field?

Mr. ANDERSON. No; I do not. I think the only solution is to come to grips with the question. It would be better for us to come to grips with the question of what we are going to do with our surplus products and our expanding agricultural production.

Mr. THYE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I regret that I interrupted the Senator from Florida. He is always a gentleman, and I want to treat him as such. But I should like to say, with reference to the market situation, that we in the Midwest are a surplus-producing area. Unfortunately Florida is getting many of our citizens who have the financial means to retire and who leave us and go to Florida. So the population of Florida is increasing, and therefore the State has increased numbers of consumers at the expense of those of us who live in northern regions.

Mr. HOLLAND. Mr. President, we in Florida are happy to have people from Minnesota come to our State. They are as fine citizens as can be found anywhere.

Mr. THYE. And we regret to lose them. But when the Senator's State enjoys a large fluid-milk consuming market he is not faced with the question of disposing of surplus dairy products. We cannot, however, ship our fine grade A milk to Washington or New York—milk which meets the standards of the Food and Drug Administration—because there is a regulation against it.

But what I want to say is simply this: The soil-bank plan is the first realistic approach to governing the number of acres to be placed in production and to controlling that acreage which has been



diverted. We will not be able to get production down to reasonable proportions until we cease to till, or curtail the number of acres which are presently in production annually. Until such time as the soil bank is operating and we can fully retire acreage from production, we are going to have surpluses. In the 1920's and early 1930's, we had no farm program on the statute books; we had no price supports of any kind. Yet, men like Senator McNary and Representative Haugen, the sponsors of the McNary-Haugen bills, and even President Coolidge and those who assisted in writing his veto message, referred to the surplus as the only major factor which was then creating a depression in American agriculture.

The Senator from Georgia [Mr. GEORGE] is in this Chamber, and I believe he could draw upon his memory and recall the debates which took place on the floor of the Senate with reference to the surpluses which were then destroying the farmer's markets.

No price-support factors were involved in the problem then. Therefore, I think those who say that 90 percent price supports are responsible for the present surpluses are not drawing upon the experience of yesterday, because in the 1920's and early 1930's there were neither supports of any kind, nor any kind of a farm program, yet surpluses existed as the number one problem. Then, as now, there were surpluses that destroyed the farmer's market. The soil bank is a realistic approach to the problem, but we cannot accomplish a surplus reduction this year that will substantially solve the problem. We shall go well into 1957 before we can accomplish it. That is why I wish to keep the price-support program until the soil-bank plan can become wholly operative and effect a reduction in the surpluses.

Mr. ANDERSON. That is an interesting point—that the soil bank is the first new approach. I was interested a few weeks ago to pick up a copy of an agricultural publication which referred to the soil bank as a crisp, new approach to this problem. I have here a press release from the United States Department of Agriculture, Office of Information, press service, dated March 10, 1937, headed "Secretary Wallace Defines the 'Ever-Normal Granary.'"

I read:

The phrase "ever-normal granary" is defined by Secretary Wallace in an article in the March issue of the *Agricultural Situation*, published monthly by the Bureau of Agricultural Economics.

By the ever-normal granary, Secretary Wallace means "a definite system whereby supplies following years of drought or other great calamity would be large enough to take care of the consumer, but under which the farmer would not be unduly penalized in years of favorable weather."

Let me read the last paragraph:

"I call this part of the ever-normal granary program storing the grain in the soil," the Secretary explains, "instead of storing it in the bin." After the consumer is adequately taken care of by the building up of certain supplies, it is cheaper for the farmer, consumer, and Government alike to store additional quantities in the soil rather than in the bin.

So, if we want to find out how new it is, it is as new as 1937. The Senate and the House did not pay any attention to it then. Even though it is Henry Wallace's program, I still think it is a good program, and I think the Senate should adopt it.

Mr. THYE. If the Lord gives us rain at the proper time, and gives us the proper amount of sunlight, and if the farmer does not have to combat either drought or grasshoppers, we still, oftentimes, produce more than can be consumed domestically. Henry Wallace was right when he said that the only proper way was to build a fertile soil bank that could produce sufficiently if and when the need developed. Congress did not accept the proposal at that time. I hope it will now be accepted. It is too bad that a majority did not see fit to put that sort of program on the statute books in 1937. It is too bad that they did not do it then, but it is certainly going to be too bad if we do not do it now.

The only argument I have with the distinguished Senator from New Mexico is this: Shall we reduce supports while these surpluses cause our markets to be so weak that the farmer cannot receive 80 percent of parity although the national economy is enjoying prosperity in its other segments?

I say that we should not do so with these surpluses hanging over our markets. It is for this reason that I have the courage—although I must say it is not pleasant, but embarrassing—to stand against some of my colleagues and against the President of the United States and the Secretary of Agriculture.

But I disagree on the question of how to provide a better farm economy and bring it into balance at this time. I say that if the support price on wheat is to be reduced 27 cents a bushel this year and the support price on corn 18 cents a bushel this year, this will reflect on the prices of barley, oats, and the sorghums grown in the Southwest, as well as on the prices of other grains grown elsewhere in the Nation. If that should be the effect, the prices received by farmers will drop lower than they are today.

It is with this conviction that I speak as I do in favor of the 90-percent price supports, even though I may be criticized by some in my own State, who ask why I will not stand with my administration.

The Senator's proposal for flexible price supports, as is provided in the 1954 act, will further lower the income of farmers this year and they have already suffered severely. Therefore, until the soil bank program becomes effective, there will not be any stiffening of prices in the marketplace. That will not happen this year, and that is why I take the stand I do today.

I thank the distinguished Senator from New Mexico for yielding to me.

Mr. ANDERSON. I am glad to have done so. I know how energetic and aggressive my friend, the senior Senator from Minnesota, is with respect to the farm problem. He understands the needs of the farmers.

At a dinner I was attending not long ago, a very amiable lady came up and asked me about the junior Senator

from North Dakota [Mr. YOUNG]. She said, "How do you get along with each other?"

I said, "Fine, fine. We get along very well."

She said, "How can you say that? You disagree with him on every issue."

I said, "No, no. We are not together on price supports; but we are absolutely together—just like that—and I put my two fingers together."

She said, "On what are you together?"

I replied, "On trying to do something for the American farmer. We simply consider the situation along different lines."

I am certain the distinguished senior Senator from Minnesota is no more embarrassed in his opposition to his President and his opposition to his Secretary of Agriculture than I am in supporting their views. We both have our crosses to bear.

Mr. THYE. The fact of the matter is that I wish the Senator were not standing with them, because it makes it more difficult for me.

It is sometimes said to me, "I cannot understand your not being in step with your President or your Secretary of Agriculture. If the Senator from New Mexico, CLINT ANDERSON, himself a rancher and a former Secretary of Agriculture, sees it as the President and the Secretary of Agriculture see it, you must be wrong."

My reply is, "No, I am not wrong; I am sorry the Senator from New Mexico sees conditions that way."

The Senator from New Mexico and I are both caught on the horns of a dilemma.

Mr. ANDERSON. No doubt I regret the dereliction of the senior Senator from Minnesota as much as does the President. I can only say that I think agricultural matters should not be questions of partisan politics.

In 1947 we tried to find a basis upon which the problem might be solved. We did not succeed in doing so. I have felt many times that the matter had been plunged too deeply into politics in the 1948 election. I have regretted that it was a matter on which we divided along such strong political lines.

I would only say to the Senator from Minnesota that many of these matters are not new. The Senator from Minnesota speaks about the flexible price-support program in the 1954 act. Of course, there is nothing relating to flexible price supports in the 1954 act; it was in the act of 1948, which was sponsored by the Republican Senator from Vermont [Mr. AIKEN], and it is in the Agricultural Act of 1949, sponsored by Democrats.

So these difficulties are not so easy to adjust on the basis of party loyalty.

I was deeply appreciative—I have said this before, and I am glad to do so again—when the Department of Agriculture, at the time I was the Secretary, presented the findings of a group of persons inside the Department and outside the Department as a permanent program of agricultural relief to the able Senator from Vermont [Mr. AIKEN], who said he would introduce it in Congress. I



thought that was a proper demonstration of nonpartisan administration.

As a result, when the President decides to stand by a program of flexible price supports, it ought not to seem very remarkable to anyone that I shall support that program, because I feel deeply about it. But in doing so, I am sure everyone understands that I shall not criticize my friends who may feel otherwise about the question, and who feel deeply about the agricultural situation in their own States.

Mr. AIKEN. The Senator has pointed out that the price-support program was not an issue in the 1948 campaign, but that both major parties took the same position at that time. Agriculture generally did not become an issue until after the distinguished Senator from New Mexico left the office of Secretary of Agriculture, which I think was in May 1949.

Mr. ANDERSON. No; it was 1948. I was not in the Department of Agriculture when the subject became a red hot political issue. When I was in the Department of Agriculture, I may say to my friend from Vermont, which was during the 80th Congress, I needed all the Republican support I could muster, day by day, on the matter of hog prices. The Senator from North Dakota can testify to that.

Mr. AIKEN. Although the question of grain storage got into the campaign of 1948, it was not until the spring of 1949 that the farm program really became a matter of politics in this country. From the spring of 1949 until the present time, agriculture has been involved politically. I still insist that the farm programs should not be partisan matters; that they, like our foreign relations and foreign policies, should be above partisanship; and that anyone who attempts to make farm programs partisan questions is performing no service at all for the farm population of the United States.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield. Mr. THYE. I thank the distinguished Senator from New Mexico for being so generous with his time in permitting Senators to have a little discussion of the bill.

I was in full support of the 1948 farm bill. I was with the committee when they conducted nationwide hearings in order to get opinions from the producers. Those hearings afforded the producers in various sections of the Nation a convenient opportunity to meet with the committee. Otherwise they would not have been able to present their views to the committee, because most of them could not actually have afforded to come to Washington.

I was in full support of the flexible provisions in the 1948 act. I did object to the omission of dairy provisions. However, a provision was included in the bill making it mandatory to support milk between 75 and 90 percent of parity, thus leaving the Secretary of Agriculture with some discretion in the establishment of price-support levels.

At that time—and this is the reason I wished to make a comment—an embargo

was placed on the exportation of fats and oils, which were in short supply in the United States. Other commodities and products also were in short supply.

It was for that reason that flexibility was written into the act.

I do not say or agree that that was wholly correct; but I, who came from the Midwest, knew how surpluses could affect the farmers in that area, so I felt that the flexible price supports were proper, because they would bring about a diversion from the production of some crops to other crops, such as flax for linseed oil, and soy beans because of the shortage of oil. Therefore, I voted for flexibility in the program in order to permit shifting from a crop which was in long supply to a product that was in short supply. I never embraced the theory that a price reduction would compel reduced production, because I believed, as had others, that only through such a program as is now envisioned in the soil-bank program could we curtail production and ultimately manage the surpluses.

Any man who is familiar with the productive capacity of land knows that it is necessary to retire acres if production is to be reduced. No farmer, if he is a true farmer at heart, is going to neglect either his livestock or his crops. He will, with every effort, produce the maximum of which the land is capable. He will produce the maximum on his dairy farm, in his poultry houses, or on his pig lot. Therefore, the feed supply must be affected if there is to be a reduction in meat supply. Availability of feed grains will invariably encourage feeding of livestock or poultry, and result in an increase in dairy products. There can be no question about that.

It is for these reasons that I must stand here before the Senate and plead my case. If supports are dropped before the soil bank has become administratively operative, a reduction in farm income will result. Farm income has already slipped from \$17.2 billion in the late 1940's down to \$10.2 billion at this time. The farm income is threatening to go lower. Such a drop in income cannot be suffered by the farm segment of our economy without eventually endangering and adversely affecting industry, because the farmer is a big user of machinery, whether it be a combine, a tractor, a truck, a plow, or any of the other equipment necessary to the farmer's operations. If the farmer buys less from the local merchants, industrial plants will ultimately feel the result of the reduced purchases of the farmer. Finally, industrial plants will feel the pinch and men and women will be laid off and there will be unemployment.

That is why I am pleading my case today. There will be a chain reaction which will start in the grassroots and be reflected in the industrial centers.

Mr. ANDERSON. I may say to the Senator from Minnesota I am going to try to refer to several things to which I have already made reference. He is going to speak tomorrow—

Mr. THYE. I am very sorry I interrupted.

Mr. ANDERSON. No. I am very happy to have yielded to the Senator, and I have already so indicated.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an extract from the statement of Henry Wallace before the Senate Committee on Agriculture and Forestry on March 7, 1935, a quotation from a radio address given by Henry A. Wallace over the National Farm and Home Hour on Tuesday, January 26, 1937, and a short quotation from Agricultural Price Policy, written by Geoffrey S. Shepherd, which again refers to those needs.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

STATEMENT OF HENRY A. WALLACE BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY, UNITED STATES SENATE, MARCH 7, 1935, DURING THE COURSE OF HEARING ON S. 1807, A BILL TO AMEND THE AGRICULTURAL ADJUSTMENT ACT, AND FOR OTHER PURPOSES, PAGES 6-7

Coordination of commodity loans with production programs:

"Part of the amendments apply primarily to the production adjustment programs affecting the basic commodities. These would coordinate commodity loans with production programs. \* \* \*

"Coordinating commodity loans with production programs would be a step in the direction of the ever-normal granary plan which I suggested and have repeatedly advocated. The proposal provides for Government acquisition of commodities pledged by farmers as security for loans, and their repayment at the option of producers as benefit payments in kind. In my opinion, the inauguration of this method in the Smith cotton-option plan, sponsored by the chairman of your committee, worked out to the decided advantage of the farmers. Both our cotton and our corn loans have been very materially helpful to producers. This plan can be used to assure farmers the benefits of price improvements which otherwise would go to speculators; and also to build up and maintain reserve supplies of food, which can be handled through the benefit payment-in-kind method without depressing the farmers' markets. I believe this proposal is wholly sound and I hope it will be written into the Adjustment Act."

FROM RADIO ADDRESS GIVEN BY HENRY A. WALLACE OVER THE NATIONAL FARM AND HOME HOUR, JANUARY 26, 1937

"The ever-normal granary above and below the ground: Another way of approaching the problem of the ever-normal granary is through crop insurance, with premiums paid in grain and benefits paid in grain.

"No matter whether the ever-normal granary is established through governmental purchases, as in the case of the Farm Board, through commodity loans, or through crop insurance, there inevitably comes a time when favorable weather several years in succession results in large supplies—large supplies which bring unfairly low prices to the farmer and positive damage to the consumer from unemployment, which is a certain consequence of unfair prices to farmers. When more than a certain quantity of food is in storage the result is not abundance but waste.

"To prevent such consequences of years of favorable weather farmers must have the power to control their production. After adequate storage supplies of wheat, corn, and other grains have been established, it becomes the part of wisdom to conduct



further storage operations in the soil rather than in the grain bin.

"We should, of course, divert a certain amount of corn and cotton acreage to soil-conserving crops because that will make for greater long-time productivity of our farm land. But for the most part, let's fill up the storage bins this year. It is good policy to vary the plans for storage of crops in the soil according to the state of supplies in the granary above ground."

FROM AGRICULTURAL PRICE POLICY, BY GEOFFREY S. SHEPHERD, 1947 EDITION, PAGE 40, WHICH CITED ABOVE STATEMENT FROM THE AGRICULTURAL SITUATION, BAE, USDA, VOLUME 20, No. 1, JANUARY 1, 1936

A program of practical adjustment:

"To keep the Government from committing a farm board it will be necessary after supplies under the loan program have reached a certain point to keep the granary from running over by some practical program of production adjustment. I call this part of the ever-normal granary program 'storing the grain in the soil' instead of 'storing it in the bin.' After the consumer is adequately taken care of by the building up of certain supplies, it is cheaper for the farmer, consumer, and Government alike to store additional quantities in the soil rather than in the bin. If the weather is going to be unusually violent in its swings, it is necessary for man to be unusually intelligent in meeting the problem. I believe the ever-normal granary is a start."

STATEMENTS BY SECRETARY WALLACE BEFORE THE HOUSE COMMITTEE ON AGRICULTURE HOLDING HEARINGS ON GENERAL FARM LEGISLATION, MAY 27, 1937, REFERRED TO THE EVER-NORMAL GRANARY BUT MADE NO SPECIFIC REFERENCE TO THE STORING OF RESERVES IN THE SOIL

"I am appearing before your committee today in support of the bill which is entitled 'The Agricultural Adjustment Act of 1937.' I am strongly in favor of the principles and purposes of this bill. It is deserving of immediate consideration in Congress and I hope that legislation to carry out the aims of this measure will be enacted at the earliest possible date. The two fundamental purposes of this bill are first to safeguard the Nation's food supply and second to protect farm income. Under the terms of the bill, its aims would be attained through a system of loans to farmers to protect their prices and storage of reserve supplies against years of short crops, coupled with supplementary means to guard against accumulation of ruinous surpluses.

"The most vital parts of this bill are those calling for the establishment of an ever-normal granary in the great food crops of corn and wheat" (p. 135).

The necessity for stiff penalties for non-compliance was questioned by the chairman, and the Secretary replied (p. 143):

"The Farm Board experience, it seems to me, indicates that some penalty provision would be necessary. Suppose we had a few years of unusual production and the ever-normal granary was filled and overflowing, there would be a danger of finding ourselves in the same position the Farm Board was in where the Federal Treasury was not sufficient to protect the farmers and the Nation from the collapse which ensued."

The relation of the dairy industry to an ever-normal granary was stated by Secretary Wallace in response to a statement by Congressman Bolieu (p. 153, same hearings):

"Let me suggest that we have been operating, in which I believe to be a practical way, the ever-normal granary for the dairy. If this bill were enacted the stabilizing of feed supplies of corn from year to year, would reduce the wide fluctuations in butter production, and the western cream production. There would be no sudden rush

from hog farming into dairying such as took place during the early thirties. Moreover, we have diversion programs which enable us to purchase butter and cheese when the price is too low. We distribute this butter and cheese by the relief agencies in the various States.

"Now it seems to me that this is the practical way to perfect an ever-normal granary for dairying. It is not feasible to store dairy products for a great length of time."

Mr. ANDERSON. Mr. President, to a degree an attempt was made to meet the recommendations of a soil bank by conservation payments. Our soil-conservation payments were a step in that direction. They constituted an effort to persuade the farmers to use the conservation policies which promised to bring production somewhat under control. But that did not supply the answer and the job could not be done.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. I wish to comment on what the distinguished Senator had to say about the Committee on Agriculture and Forestry. What he said is absolutely true. We see much in the press about the political angles involved in farm legislation. I have always thought that was an unjust accusation of the committee. Every member of the committee approaches the subject in a completely bipartisan manner, and everyone is just as sincere as he can be.

As the Senator knows, I supported the flexible program of 1948. If the economy of this country had returned to normal, as was expected, then the program would have worked out. I changed my views because I felt the farmers of my area could not exist under that program, when labor was making gains and agriculture was paying higher prices for the things it had to buy and was receiving lower prices for everything it has to sell. Every member of the committee certainly approaches the problem in a most sincere way.

Mr. ANDERSON. I thank the Senator from North Dakota, and I agree with his opinion. That is why I should like to bring to the Senate's attention the next item. I refer to a speech in which the Secretary of Agriculture said that farm surpluses have been accumulating for years and that we had been accumulating them long before this administration came into office. I think it perhaps would be more correct to say that the circumstances which led to their accumulation had been developing over a long period of years.

I cited the case of rice, and I made the point that the Secretary of Agriculture could not control the carry-over of 1,515,000 hundredweight of rice. Next year that amount increased by 6,031,000 hundredweight. Then it jumped up to 29,900,000 hundredweight of rice. There is no way in the world in which this rice situation can be shaken loose or rectified or brought under control. That is why I said we need to be very careful when we come to the rice question and not dismiss it lightly.

The Senator from Louisiana knows I am not in favor, generally, of a two-price system. I do not know how I am going

to vote on the two-price system on rice, when I get to that, but I said many times in the committee that this is a situation which has arisen not primarily as a result of the fault of the rice farmer. Therefore, I think Congress must be very careful in making an appraisal of it. The rice carry-overs which accumulated in all the years the Democrats were in office were only 9,822,000 hundredweight. So it would not be quite fair for us to blame it on another political party. Nor would it be quite fair to blame it all on the present Secretary, because there was in existence a law of Congress which provided that the rice acreage could not be reduced more than 15 percent the next year.

I am not saying it was an unwise piece of legislation. The country's rice growers would have been in for pretty rough treatment if that legislation had not been enacted. Therefore, all agricultural legislation has to be tempered a little bit in accordance with what the situation may be in respect to one particular commodity. Rice certainly is no exception to that rule.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. The Senator will recall that during the Korean war every effort was made by the Department of Agriculture to increase the production of rice. The Department did so because there was no rice production worth mentioning in South Korea and because the other countries which produced most of the rice for that area were unable to produce rice. Indochina, Burma, Thailand, and other countries could not fill the demand. The Senator remembers that.

Mr. ANDERSON. Yes.

Mr. ELLENDER. Because of that situation the rice farmers of this Nation were asked to expand their production. The Senator recalls that in 1950 we had acreage controls on the production of rice. That year 1,632,000 acres were planted; a production of 38,689,000 hundredweight of rice was achieved.

Mr. ANDERSON. That is correct.

Mr. ELLENDER. When the Korean war started, the rice acreage allotments established for 1951 were withdrawn, and they remained withdrawn until 1955. That is why we have such an accumulation of rice. It was thought by our planners that we should have a large amount of rice on hand in case it should be needed. The war ended, and the rice was not needed. We must not blame the farmers for that situation.

Mr. ANDERSON. That is exactly what I was trying to say to the Senator from Louisiana.

I hold in my hand the hearings on the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT]. There were only seven pages of hearings, and those pages are not all full. In those seven pages the representative of the Department of Agriculture said it turned out we should have imposed acreage allotments on the 1954 crop. Of course, in the absence of such allotments the result was about a 17 percent increase in acreage in 1954, with unprecedented yields, so that we built up a tremendous supply.



The point I wish to make is that the problem is not one which can be easily solved. We will have to find a way to bring the situation under control. We will have to find ways of getting rid of the surpluses.

I hold in my hand a newspaper article under date of March 4, from Formosa, which reads, in part:

The Sino-American Joint Commission on Rural Reconstruction has made great strides in increasing agricultural production and improving farmers' livelihood in Formosa.

Then the article points out that the rice output in Formosa has gone up from 1,210,000 metric tons 5 years ago to 1,900,000 metric tons today. So by the stimulus of our own Government there has been built up in Formosa a situation that makes it impossible for us to get rid of our 29 million hundredweight of rice by any normal system.

That is why I say that sometimes I worry whether we have correctly considered the situation, whether first we should worry about the level of prices, or whether first we should consider a program which we know will take care of the enormous surpluses; and then, having done that, see what we can do in the case of the individual commodities.

Cotton has a similar history. In 1952 we had a modest carryover of 5,600,000 bales. The first year Secretary Benson was in office, the figure increased to 9 million bales. If one were anxious to avoid telling the truth, he could say that Mr. Benson was responsible for that increase. But he was not. Actually, controls should have been imposed on the 1953 crop, but Congress did not provide for that. Therefore, the production increased to 9 million bales. Thereafter, it increased to 10 million bales, and then to 13,300,000 bales, or approximately that.

I say that at the first point, something should have been done about moving the surplus. The fact that that was not done is not necessarily the fault of the Secretary of Agriculture. I am not too familiar with negotiations between the State Department and the Department of Agriculture; but I should guess that every time the Secretary of Agriculture came forward with a program for getting rid of the surplus of cotton, he found himself in difficulties with the Secretary of State. I think we should provide that if the Secretary of Agriculture wishes to do something to get rid of the surplus, he shall have a chance to do so.

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. ANDERSON. I yield.

Mr. ELLENDER. The Senator from New Mexico has stated that acreage controls should have been imposed in 1953.

Mr. ANDERSON. Yes.

Mr. ELLENDER. But in 1953 we were still at war. Quotas would have to have been announced and voted on by the middle of December, 1952, in order to become effective upon the 1953 crop. Controls were not imposed at that time, or later, because we were still at war in Korea.

Mr. ANDERSON. I thought the announcement was made sometime in October, but it does not matter.

Mr. ELLENDER. The announcement is made by the middle of October and the referendum must be held by the middle of December of the preceding year.

Mr. ANDERSON. While it is true that we were still in some sort or semblance of war, in that particular year we actually increased our carryover by approximately 3 million bales.

Mr. ELLENDER. But the farmers were asked to produce in order to win the war. Our planners told them that "the lid is off"; farmers were asked to produce, and they did so.

Mr. ANDERSON. I am not blaming the farmers at all. Neither am I critical of the Secretary of Agriculture in that connection, any more than I am in the case of rice. I merely say that in such a situation it is necessary to get rid of the surplus as quickly as possible.

In the case of wheat, in 1952 we had what was regarded as a normal carryover, namely, 256 million bushels. It can be said that 225 million or 210 million bushels is ideal. Certainly approximately that much is correct. But in 1953 the carryover was 562 million bushels; in 1954 the carryover was 902 million bushels; in 1955 the carryover was 1,021,000,000 bushels; and in 1956 the carryover is 1,043,000,000 bushels. I do not say it is wrong to have such amounts; but when the carryovers reach such proportions, something must be done to get rid of the surplus.

Mr. ELLENDER. But, again, surpluses were permitted to build up because of the war. The farmers were begged to increase their production, and they responded.

Mr. ANDERSON. Except that when there is so great a carryover, probably it is not necessary to make a special adjustment because of the war.

It also should be remembered that when we tried to bring wheat under controls, and when a restriction to 55 million acres was proposed, the House voted for 66 million acres, as I recall, and the Senate reduced the figure to approximately 61 million acres. Then the bill went to conference, and came out with a figure of approximately 62 million acres. I do not say there is anything very wrong about that; but having done it, every effort must be made to achieve elimination of the surplus stock and to eliminate it as rapidly as possible.

Mr. CARLSON. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. CARLSON. In 1952 the carryover of wheat was approximately 252 million or 256 million bushels, which I agree is probably too large for the present time.

Mr. ANDERSON. No, that is about right.

Mr. CARLSON. However, in my opinion controls should have been imposed in 1952 on wheat as well as on cotton, as the Senator from New Mexico has said. But controls were not imposed then. Had they been imposed then, I do not think we would have got-

ten into the present situation, or at least we would not be so deeply involved as we are. Certainly we have no right to criticize the Secretary of Agriculture for that situation; I am in thorough accord with what the Senator from New Mexico has said on that score.

Mr. ANDERSON. Certainly we should bring this surplus situation under control now. If we do so, that will take care of some of the price problems we have. I am not too much worried about price; but I hope we will try to bring the surpluses under control and give the Secretary of Agriculture the authority he needs to do so.

Mr. CARLSON. Mr. President, I am in thorough accord with the statement the Senator from New Mexico has made, namely, that the surplus problem is the one with which we must deal.

The Senator from New Mexico knows that we exported approximately 315 million bushels of wheat in 1952. But at the present time, and even with the very large subsidy, we have difficulty in disposing of approximately 200 million bushels.

Mr. ANDERSON. And that amount has been decreasing.

Mr. CARLSON. Then what shall we say of a State Department that refuses—and I used the word respectfully—to cooperate with us in disposing of some of the surpluses?

In the case of cotton, I do not know whether the State Department has approved the present plan. The last statement was that 5 million bales of cotton are to be exported. I do not know whether the State Department has approved that or not. If it does approve, perhaps that will be the breaking point, so that we can start to move some of the surplus.

Mr. ANDERSON. A day or two ago I saw in the newspapers a statement in regard to the cotton situation. It said that India was greatly outraged because the United States was going to make certain exports of cotton.

Mr. ELLENDER. Let me point out to the Senator from New Mexico that it was Egypt, not India.

Mr. ANDERSON. Yes, I stand corrected by my friend, the Senator from Louisiana. The newspaper account stated that Egypt was reassured about the United States cotton plan, and that Egypt's ambassador had a cordial chat with our State Department's representative, and came out of the meeting reassured.

I look at that account, on the one hand; and then I look at the figure of 5 million bales, on the other hand; and I say, "Who is kidding whom?" I know that the Secretary of Agriculture wants to move 5 million bales of cotton. I know when I was Secretary of Agriculture I tried to move 7 million bales of cotton, and I ran into the same buzzsaw. But the Secretary of Agriculture must insist, and I know he will insist, on moving 5 million bales of cotton. Unless we give the Secretary of Agriculture authority to move in this field, he cannot succeed in the way we know he must succeed.

For instance, Mr. President, does the State Department attempt to tell the Department of Labor whether it can or



cannot approve a mediation in connection with the Westinghouse strike? I hope not. The Department of Labor is supposed to move in that field, and it does move in it. Mr. President, is it not the responsibility of the Secretary of Agriculture to represent the farmers of the United States to the same degree that it is the responsibility of the Department of Labor to represent the laboring groups?

Mr. CARLSON. Mr. President, will the Senator from New Mexico yield further to me?

Mr. ANDERSON. I yield.

Mr. CARLSON. I am in thorough accord with the statement of the Senator from New Mexico. For 2 years—not merely at the present time—the Secretary of Agriculture has been trying to handle this problem and to solve it. It is time for us to be realistic about it.

Mr. ANDERSON. Yes.

I recognize that these agreements are necessary. But the question is, how can the problem be solved? The Secretary of Agriculture will have to battle if he is to be successful. Otherwise the farmers will never get a fair price schedule.

Mr. AIKEN rose.

Mr. ANDERSON. I yield to the Senator from Vermont.

Mr. AIKEN. We seem to have lost sight of what the historic United States export trade in cotton has been. We speak now of recovering our 5-million bale export market, as though that were the traditional amount of cotton exported. As a matter of fact, if we go back 22 or 23 years we find that in those years the United States was exporting about 10 million bales of cotton, not the 5 million bales which we talk of at this time. About that time, of course, a worldwide depression struck. The use of cotton dropped. Synthetics began to come into the picture; and we have dropped from an export, not of 5 million bales to 2 million bales this year, but from 10 million bales or more down to 2 million bales this year. If we do not do anything about it and continue to allow foreign countries to dictate the amount we export, in another 2 years we may not be exporting anything.

I think we have turned the tide. I do not believe we are going to hurt the other cotton-producing countries at all, because they, too, have been pricing cotton out of the market, when there are more than 2 billion people in the world today who probably would be using more cotton if they could get it at a more realistic world price than what they have had to pay. We have not only held a price umbrella over our own cotton producers, but we have encouraged producers in other countries to charge more for cotton than the market would bear.

Mr. ANDERSON. The Senator from Vermont is correct in that statement. By doing so we have also helped to build the synthetics industry. When the big argument was in progress at the conclusion of World War II as to whether or not the American surplus stocks of cotton would be moved into commerce or disposed of at home in some fashion, it was contended that if we moved the cotton into Japan, China, and other places, we would

take away the market which traditionally belonged to other countries.

All we did was to preserve the cotton market for other countries against the inroads of synthetics. Had we accepted their dictation and refused to ship any cotton, we would have seen the expansion of synthetics in Japan very rapidly. But because cotton was moved into Japan and China, today there exists a cotton market which those countries would not otherwise have. If we were to move our cotton into that area now as rapidly as the demands of the world build up, I think we would be doing a favor to the cotton industry throughout the world, as well as helping ourselves.

Mr. AIKEN. As cotton is put on the market at competitive prices, not only the United States, but Egypt and other countries, will find their market for cotton expanded.

Mr. ANDERSON. I think so.

Mr. President, there are many things which I should like to discuss this afternoon at great length. I come back to the place where I started many months ago. Unless we can come forward with some sort of program for the disposition of surpluses rapidly, vigorously, and in an orderly fashion, so that the grain exchanges and cotton exchanges of the country will know that those commodities are not coming back to harass them, and will not be used to break world markets, we shall be in real trouble.

The American farmer has suffered enough from the accumulation of surpluses. I have tried to point out that in some instances—and probably in all—the surpluses have developed innocently. They have developed because we were in a war situation which seemed to make it wise. No war situation makes it wise now. Regardless of the explanation, I think this is the time to move and make disposition of these surpluses, if we expect any farm program to work.

There are Members of this body who firmly believe that one system of price supports is perfect and another system is not perfect. A great many people subscribe to a still different philosophy about price supports. That situation will continue so long as we have a Senate and a House and differing opinions. However, there is one thing upon which we can count. If we do not make complete disposition of the surpluses hanging over the market at this time, no system will produce any great degree of success so far as the American farmer is concerned.

I close where I started the other day. I compliment the Senator from Louisiana [Mr. ELLENDER] for taking his committee around the country. If that did anything for me, it was to prove that we were not agreed upon any particular route to salvation. One group of farmers believes one thing, and another group believes another.

Under those circumstances, it is very difficult indeed for the Senate to come to a final decision. I think we are all agreed that the surplus problem is very difficult. I think we all believe that some sort of soil bank needs to be established.

Personally I shall support the idea of a mandatory bank, because I believe it is the only useful tool which the Secretary of Agriculture can use so late in the season. If he goes to the American farmer now with a plan for a voluntary bank, he will get very little response, and the soil bank idea will receive very little support. I hope we may have a mandatory bank. I hope the Senate will agree to such a provision and let us take it to conference and see what the House conferees think about it.

I hope that in some manner, by suggestion of the Secretary or otherwise, we may then, or soon after, find a program for the disposition of surpluses which the Congress can accept and support, and that the Secretary of Agriculture will then be able to carry it out.

Mr. KENNEDY. Mr. President, it is with some hesitation that I rise to speak on the farm program, coming as I do from an eastern State generally characterized as urban and industrial. I would speak on this subject, however—not only because Massachusetts has some of the Nation's finest farmlands, most modern methods, and most famous products—not only because farming is a vital Massachusetts industry, pumping more than \$200 million of cash farm income into our State's economy every year—but also because the agricultural policies of our Nation, while they may appear to affect more directly more farmers in other parts of the country, are of real significance to Massachusetts and her farmers, industries, consumers, and taxpayers; and, more importantly, because all of us in the Senate have a responsibility to the Nation as well as our own State and region.

My position on the pending amendment to eliminate rigid 90 percent price supports from the bill, in order to continue the new flexible program, is a position which I realize to be at variance with that held by the great majority of my fellow Democrats. I do not take pleasure from such disagreements—but I do regret that the long hours spent in debate over relatively minor differences in method have obscured the much larger and much more important area of agreement within our party—and, for the most part, within the entire Nation.

Both within our party and Nation, I think most of us would agree that agriculture needs some protection from the distress that results from violent downswings in farm prices. I think most of us want to prevent an agricultural depression that could wreck the Nation's economic health; and we want to prevent inequitable treatment of farmers at the hands of a Government discriminating in favor of other segments of the economy. I think most of us would agree that the national interest requires a long-range program adjusting production to demand, and enabling our farmers to move high-quality food and fibers at reasonable prices to consumers at home and abroad, without wasting our soil resources. And I think most of us would agree that the fixed price-support program provided a helpful cushion during the serious decline in farm prices and farm exports which has taken place



in recent years, and during the general economic decline of 1954.

But, Mr. President, I am opposed at this time to any farm program calling for high price supports fixed at 90 percent of parity until such time as the flexible support program and the new soil-bank program have had a sufficient opportunity to prove themselves. To those of my colleagues who call upon me to support the 90-percent program, despite its shortcomings, as a means of stabilizing farm income during the current farm recession, I can only point to the decline in farm prices and income which has taken place during the operation of that 90-percent program, a decline which has been intensified by the ever-present threat posed by the huge surpluses acquired by the Government under that program. I am not an expert on farm economics. But it appears to me that—due at least in part to the stimulation of high support prices—the productive capacity of our food and fiber industry is overexpanded while its markets are shrinking—not so much in terms of actual and potential need, which will continue to increase here and in the poorer areas of the world, but in terms of distribution and purchasing power. Price supports at 90 percent of parity will not solve that problem; price supports at a lower or flexible level will not solve it either—but at least they will not accentuate it so badly. And though I am distressed by my colleagues' statistical data on falling farm income, I would remind them that like most subsidies, our farm programs have tended to help the well to do more than the poor. It has been estimated that less than 2 percent of the Nation's farmers receive more than 25 percent of the price-support program's benefits. Those who heavily weigh these statistics—the farm families at the bottom of the economic ladder, the Negro and Mexican tenant farmers of the South and Southwest, and others—will on the whole receive all too little of the benefits to be passed out under any support program.

But let me make clear, Mr. President, my belief that neither fixed or sliding price supports offers a perfect, comprehensive, permanent answer to all the ills of agriculture. Neither program is free of the faults for which its own adherents condemn the other. The flexibility of the present compromise program is certainly very slight indeed, and it is doubtful that it will save the taxpayers any money. Both the old and the new programs depend upon the storage of surpluses too big to handle, too expensive to store. Both old and new offer support to some farmers in some parts of the country that hurts other farmers in other parts of the country. Both concentrate more on the farmer's price than on his net income, more on his guaranteed security than on his independence. Both programs require the farmer to accept various controls, particularly acreage restrictions which—being invariably followed by more intensive fertilization and production on the remaining acres—have in the past had little effect, except as a nuisance, in those instances. Neither program diminishes appreciably

the production of surplus commodities or increases appreciably their markets, thus facilitating neither the end of the storage burden nor the adoption of sound soil conservation practices. Both subsidize the inefficient farmers while giving little help to those who most need it. Neither program enables our farmers to sell in the world market at normal competitive prices; and both require restrictions on agricultural imports—which would otherwise take advantage of our support program—thus restricting still further the market for farm exports. Neither of the present alternatives offers substantially lower prices to consumers and industry.

In short, Mr. President, while I shall vote against 90 percent of parity, I do not deny its past benefits or reject its basic purpose; and while I shall support flexible parity, I do not look upon it as a final answer to the farm situation.

Mr. O'MAHONEY. I trust the Senator from Massachusetts will remain to listen to a few remarks I have to make that deal specifically with a portion of what he has just now said.

Mr. KENNEDY. I shall be delighted to do so.

Mr. O'MAHONEY. I believe that some of my remarks may have the effect of showing him that he has stated the problem in exactly the reverse order. If the soil-bank program is adopted, it will take more than a year to get it into operation. If, at the same time, as the Senator from Minnesota stated earlier this afternoon, we adopt flexible supports, we will drive many of the small farmers out of their farms and into the cities. We shall create a greater problem in the factory than we shall cure on the farm.

#### THE DISAPPEARANCE OF THE FAMILY FARM

One of the most amazing things to me about the farm situation is not generally known to the public. It is a fact which explains why for almost 30 years the farm problem has been an unsettled dilemma before Congress and in the executive branch of the Government.

There were fewer farms in the United States in 1955 than at any time since 1890. The Senator from Massachusetts was not born in 1890. At that time there were some 4 million farms in the United States. The exact number, obtained from the United States Census Bureau, was 4,564,641. That was in 1890.

In 1954 there were 4,782,933. There were 600,000 fewer farms in this country in 1954 than there were in 1950. The reduction of farms has become accelerated, and in the period from 1950 to 1954 there was the largest decrease of farms in the United States of any period of which the Bureau of the Census has any record.

Mr. KENNEDY. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. KENNEDY. Even though that may be true, in spite of the reduction in the number of farms, our productive capacity has steadily increased.

Mr. O'MAHONEY. Oh, yes.

Mr. KENNEDY. The fact is that—

Mr. O'MAHONEY. We have had a Department of Agriculture which has been researching and discovering ways and means of increasing production.

We have better methods of production and better methods of planting, and we live in the machine age, with new reapers and new tractors, new milling machines, and the like, all of which do the work that was formerly done by laborers upon the farm. Of course, the land has been made more productive.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KENNEDY. Are we not trying very hard to develop a program which will ease the transference from agriculture of those who are living a marginal existence on farms?

Mr. O'MAHONEY. Yes; but the problem has not been solved. I am saying that the 90 percent of parity program is urged by the supporters of that program on the ground that without it we will create more disaster among the farmers. Let us wait until the soil-bank program can succeed, if it can, before we destroy the family size farm. That is my argument in just one sentence. This is a human problem as well as an economic one.

This afternoon, while the debate was going on, the able Senator from New Mexico [Mr. ANDERSON] a former very successful Secretary of Agriculture, was describing his point of view. During that time while listening to him I also read the bill—

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall be glad to yield in a moment.

Mr. HOLLAND. Mr. President, will the Senator yield before he leaves that point?

#### EXTRAORDINARY DELEGATION OF POWER

Mr. O'MAHONEY. I shall be glad to yield very shortly. I should like to state first that I read exactly 18 pages of the bill during the debate this afternoon. I had read the bill before. However, the reading of it this afternoon was to determine how many times Congress had delegated to the Secretary of Agriculture its power to legislate—to fix rates, to determine goals, and, in short, to say how the program shall be carried on.

Much to my amazement, I found that in the 18 pages which I was able to read while the debate was going on, there were 21 instances in which Congress had delegated to the Secretary of Agriculture the power it ought to exercise itself.

I am very fearful that because of these weaknesses—amazing weaknesses, as the Senator, I am sure, will agree when I read some of them to him—the soil-bank program presented to us now is destined to fail.

It is a 4-year program, costing about \$750 million a year and affecting the whole country.

Let me read, first, one of the most startling provisions in the bill. I read from page 10, line 14:

Compensation under this section shall be at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for deducing their acreage of the commodity, taking into consideration the loss of production of the commodity on the reserve acreage, any savings in cost which result from not planting the commodity on



the reserve acreage, and the incentive necessary to achieve the reserve acreage goal.

What are these powers? They are the powers of Congress. They are the power to fix rates, to determine what a fair and reasonable return shall be, to determine what the incentive shall be to induce farmers to keep their lands idle.

Here we turn over to the Secretary of Agriculture complete authority without any supervision on the part of Congress to provide the incentives which he deems necessary to achieve the reserve-acreage goal.

Then the second part of this particular section reads thus:

(b) The total compensation paid producers for participating in the acreage-reserve program with respect to any year's crops shall not exceed \$750 million.

Thus, in just a few words in the bill, we hand over to the Secretary of Agriculture complete discretionary power to name the rate and rates and incentives necessary to promote the program, with only one limitation, namely, that he shall not spend more than \$750 million in a single year. Oh, yes; there is another limitation: he shall not pay more than \$100 an acre for retired tobacco land.

There was a time when Members of Congress believed that Congress was the source of the manner and authority of spending the public funds, but here we turn it over to the Secretary of Agriculture. There was a time when I used to hear this Chamber ring with the denunciation of bureaucracy, but in this bill we find a grant of bureaucratic power that exceeds anything I have ever read in all the bills we have ever passed from time to time delegating away the power of Congress.

I now yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, before I advert to the matter as to which I have asked permission to intervene, I may say that the question just raised by the distinguished Senator from Wyoming is something which addressed itself with compelling force to each and every member of the Committee on Agriculture and Forestry.

Mr. O'MAHONEY. I am sure it must have.

Mr. HOLLAND. There are 15 members of that committee, 8 from one party and 7 from the other party, coming from all parts of the Nation. We realized that if we could ourselves prescribe the exact price to be paid for the exact acreage, that would be preferable, but we found, for instance, when we came to a general program for the elimination of 12 million acres of one crop, the production of wheat, in 1 year, we were dealing with a commodity in which the ground was so different, the productivity so different in various parts of the Nation, that it was simply impossible to have 1 standard or 1 fixed measure apply to all. When it came to cotton, we could not apply the same standards to both the fertile reclaimed lands of the West which can produce as much as 3 bales to the acre or more, and marginal lands, if we wish to call them that, in the old cotton-producing part of the

South, which produce only 250 to 275 pounds to the acre.

Mr. O'MAHONEY. Will the Senator from Florida permit me to make a remark now?

Mr. HOLLAND. If the Senator will permit me to complete my statement, I shall be glad to yield in a moment.

It became completely evident that we would spend a whole summer in trying to work out details which would probably be unworkable in the end, because of the immense variety of lands in crops throughout the Nation; then we would have no program at all. So the members of our committee, I think, without a dissenting voice, decided that the best thing the committee could do would be to state, as it is stated in the report, possible goals of the number of acres to be eliminated in the first year. We also imposed a maximum limitation on how much could be spent and we named factors which the Secretary must consider in establishing a program to accomplish a reduction in the acreage on each of the different classes of land which produce the same commodity.

If the Senator from Wyoming has a better program, speaking only as 1 member of a committee of 15, all I can say is that I shall welcome him and it with open arms and be glad to support its incorporation in the bill.

Mr. O'MAHONEY. The Senator from Florida realizes that I have the floor; does he not?

Mr. HOLLAND. I do, and I apologize. If the Senator wishes to take the floor from me—

Mr. O'MAHONEY. I merely wish to respond to what the Senator from Florida has said. I invite attention to page 17 of the bill. The Senator from Florida and every other Senator in this body, after this bill has been enacted into law, will have to go to the people of his State and say that by subsection (b) of section 208, the Senate has given to the Secretary of Agriculture the power to distribute the national acreage reserve goal among the States. The subsection to which I have referred reads as follows:

In distributing the national acreage goal among the various States and major crop-production regions, the Secretary shall give due regard to the respective needs of the various States—

Senators under this bill cannot do that—  
and regions for flood control—

The regions are not specifically described. Sometimes these regions involve several States—

the respective needs of the various States and regions for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate in the conservation program; the diversion of acreage from crops under acreage allotments or marketing quotas; and the need to assure adequate production of agricultural commodities and products not in surplus and to discourage the production of agricultural commodities and products in surplus.

I say to the very able Senator from Florida whose legal mind I have learned to respect from the time he first entered this body—

Mr. HOLLAND. I thank the distinguished Senator from Wyoming.

DO WE NEED TO GRANT THIS POWER?

Mr. O'MAHONEY. This language, to my mind, grants to the Secretary of Agriculture almost the powers of a dictator over the farmlands of America. I really think that there are brains enough on the Committee on Agriculture and brains enough in the Senate of the United States to draw a soil-bank proposal which will not place the Secretary of Agriculture and his experts, able though they may be, in complete control. No Member of this body, after this measure has been passed, can go back to his State and tell his people what land in that State will be set aside, because the Secretary will have to make the goals. There is an appeal in the bill to the Secretary that he fix the goals for 1956 at the earliest possible moment.

Now the Senator from Florida may proceed. [Laughter.]

Mr. HOLLAND. I thank the Senator from Wyoming, and I again extend that warm and unlimited welcome which I have tried to extend to any suggestion which the Senator may have—

Mr. O'MAHONEY. I am working on some suggestions.

Mr. HOLLAND. Which will clear up this whole matter and enable us to apply a standard which will be equally applicable to an area such as his own State, where the customary size of a farm may be in hundreds and thousands of acres, and, at the same time, apply to the Delta of Mississippi or the rich garden lands of New Jersey or to other lands equally rich.

Mr. O'MAHONEY. The great areas of our farms in Wyoming are due to the fact that they are grazing lands, and much of the area is not in any way comparable to the rich soils of the delta on which large crops can be grown on small areas.

Mr. HOLLAND. The Senator makes my point more briefly and in better words than I have made it, that the farms of this Nation are so diversified that they offer us a challenge, indeed, to work out some formula that would be equally applicable to all.

Again I say, and I am sure I may speak for my distinguished friend, the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], in this matter, that our committee would welcome any suggestion which would spell out in figures and letters the specific program which the Secretary of Agriculture must use in every case.

Mr. O'MAHONEY. Oh, I do not think it is necessary to do that. The Senator is making the job too difficult. Not in every case.

Mr. HOLLAND. There was no unity in our committee on this subject. It was not the desire on the part of all the members of the committee to give the Secretary this heavy responsibility and this very great power to carry it out. But the more we studied the problem—and we have been studying it for over a year, and we studied it very assiduously, and I believe the distinguished Senator from Wyoming has been kind enough



to compliment the chairman of the committee and the committee members for their visits which were made to many places throughout the Nation to try to get the thinking of our people—the more convinced we became that it was undesirable to attempt to include administrative details in the legislation.

Mr. O'MAHONEY. I think the committee has worked diligently on the bill.

Mr. HOLLAND. But the committee has not yet brought up an answer to this question, and it is for that reason that I, speaking as one of the junior members of the committee, hope my able and beloved friend, from his great experience, will suggest a formula so simple and complete that we can incorporate it in this bill, and then not need to worry about passing on responsibility to the Secretary of Agriculture who is greatly admired by many Members, including myself, but who is not equally admired by every Member of the Senate.

Mr. O'MAHONEY. Despite the smile in the Senator's eyes, I assure him that I shall do my best to present amendments which will remove some of the defects which I find in the bill, one of which, by the way, is on page 15, beginning in line 2, and having to do with rates of compensation:

Such rate or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program.

THE SECRETARY'S POWER EXTENDS TO INDIVIDUAL FARMS

That language gives to the Secretary of Agriculture the power to run the entire gamut of agriculture in the United States, from the region, the State, the area, the county, down to the individual farm. In my recollection, no such power has ever before been granted by the Government of the United States to any official.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Florida. It is always interesting to debate with the Senator from Florida.

Mr. HOLLAND. I certainly am comforted to know that the distinguished Senator from Wyoming intends to offer amendments which he thinks will meet the various questions which he has mentioned.

But to advert to the situation presented by the distinguished Senator from Massachusetts [Mr. KENNEDY], I had the honor to be one member of the committee to whose lot fell the pleasant duty of hearing, among other witnesses, witnesses from the great State of Massachusetts. We met, not in Massachusetts, but at Montpelier, Vt., where there were present, I should say, some 15 or 20 quite vocal, expressive witnesses from the State of Massachusetts. Perhaps there were more; the record will show.

I must say that, in my judgment, the distinguished Senator from Massachusetts in setting forth his position stated the position—I believe it was unanimously; and if not that, then almost unanimously—stated for him by the wit-

nesses from his State representing the various agricultural industries of Massachusetts.

I was comforted at the Montpelier meeting, after hearing not only the witnesses from Massachusetts, but also witnesses from all the States of New England, to discover that there are large segments of our agricultural industry, including those from that particular section of the Nation, who still believe that the law of supply and demand has some potentiality, and who still think that any agricultural program which must be evolved should be evolved against a sound dovetailing with the law of supply and demand.

I was comforted to find in that area, and in others where the insidious results of the operation of the high price-support formulas has not affected the thinking of the farm people, that there came forth expressions which I thought were sound and showed a continuance of the soundness and conservatism which we have always expected from our agricultural people, which has been traditional up to this time, but which has vanished, I am sorry to say, in some areas of the Nation.

I shall address myself at greater length to that point of view, which I regret to have discovered, in the course of the hearings, as having made itself so clearly seen in some other industries, some other commodities, and some other areas of our Nation. But certainly in old New England there is still the individuality, the independence, and the willingness to plan for oneself and for one's industry; the willingness to measure one's productive capacity against the active needs of the people who use the product, which is what we expect of agriculture.

I thank the distinguished Senator from Massachusetts—and I compliment him upon setting forth the contentions of his own agricultural people in stating his position upon this particular amendment.

Mr. KENNEDY. On behalf of the agricultural people of Massachusetts, I thank the distinguished Senator from Florida for his kind statement.

Mr. O'MAHONEY. I compliment the individualist farmers of New England, and especially of Massachusetts, but I should like the Senator to glance at the section of the bill I have just read into the RECORD and tell the individualistic agriculturalists of Massachusetts, Vermont, New Hampshire, Maine, Rhode Island, and Connecticut, that under the soil bank proposal the Secretary may determine the rates upon the basis of even individual farms; so that the rate paid to Farmer Jones and the rate paid to Farmer Smith, his neighbor, may be different. I do not say that they will be; but the power will be granted by the bill, and it will apply to the farmers of New England just as it will apply to the farmers of Wyoming, and those of the other Rocky Mountain States, those of Oklahoma, Louisiana, and all the other States of the Union.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ELLENDER. Let me say to my good friend from Wyoming that the power which the committee bill would give to the Secretary of Agriculture is, in my opinion, necessary.

THIS IS A SURRENDER TO BUREAUCRACY

Mr. O'MAHONEY. I have no doubt about that. What I am trying to point out is that if we have come to such a pass in this country that the Senate thinks necessity compels the setting up of a public czar of agriculture, we had better stop talking about bureaucracies in political campaigns.

Mr. ELLENDER. The Senator well knows that this country is vast in area and that different kinds of crops are grown in every part of the Nation. Whereas the size of a small farm in Wyoming might be 3,200 acres, in Louisiana it would be less than 80 acres.

Mr. O'MAHONEY. There are many farms in Wyoming which are as small as 80 acres, 120 acres, or 160 acres.

The Senator need not worry. There are small farms which will grow agricultural crops, and many of the small farmers and small cattle ranchers are today fearful that they will be driven out of agriculture completely unless the Senator's provision for 90 percent of parity is included in the bill. I am behind the Senator on that point.

I am simply trying to make the record clear, so that the country as well as the Senate may know that the extent of the discretionary power over legislative matters which we are proposing to grant in the bill. No wonder there are empty seats in the Chamber. We are passing our powers away.

Mr. ELLENDER. This discretionary provision sets no precedent. It is nothing new.

Mr. O'MAHONEY. Of course, it is nothing new; but where will it end?

Mr. ELLENDER. I do not know, but the committee had no alternative. We set no precedent, however. Let me call the Senator's attention to the Soil Conservation and Domestic Allotment Act of 1936. Congress granted full discretion to the Secretary of Agriculture in that act to apportion among the States the conservation funds which Congress might appropriate. I read section 7 (g), as follows:

On or before November 1 of each year the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however,* That any such apportionment or funds available for carrying out State plans during any year prior to 1942 may be made at any time prior to or during the year to which such plans relate. Notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approved plan for



such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this act.

That act gave the Secretary of Agriculture almost complete administrative power. I am free to confess to my good friend from Wyoming that the pending bill does give the Secretary wide power with respect to the soil bank and other programs, but I wish the Senator would tell us how it would be possible for us to write into the law a yardstick, a standard, which would be applicable to every farm, every county, and every area in our country, and still carry out the act as it should be carried out.

Mr. O'MAHONEY. I think it would be utterly impossible to devise one formula which would be applicable to every area, just as in the bill the Senator's committee has found it impossible to deal with all the commodities alike. There is a different program for rice from that which has been provided for wheat. Is that correct?

Mr. ELLENDER. There is a 2-price program for rice, on a trial basis.

Mr. O'MAHONEY. But it is in the bill.

Mr. ELLENDER. That is true. The Senator from Kansas is going to submit an amendment for a 2-price system for wheat.

Mr. O'MAHONEY. I cannot read the minds of the various Senators who intend to offer amendments. I am talking about the bill as I see it. I am glad the Senator is going to offer such an amendment. It only bears out the contention I made, that amendments are needed.

Mr. ELLENDER. There are 63 amendments pending. Some of them undoubtedly will be adopted.

#### TWENTY-ONE GRANTS OF DISCRETIONARY POWER

Mr. O'MAHONEY. Mr. President, I should like to have the opportunity to present the entire list of these discretionary powers which are granted to the Secretary in the bill. In order that they may appear in the RECORD in consecutive order, where those who wish to read the RECORD may find them, I hope that I may be able to give them 1 by 1 without interruption. After I have read them into the RECORD I shall, of course, be happy to answer any questions that may be addressed to me.

The first I have marked down appears on page 3 of the bill, section 203, which reads:

Whenever the price of either cottonseed or soybeans is supported under this act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.

That is, subject to the determination of the Secretary.

Mr. ELLENDER. May I state to the Senator that the Secretary does that now?

Mr. O'MAHONEY. Will the Senator please withhold his comments? I shall later come back to the items, and we may go over them one by one.

Mr. ELLENDER. Very well.

Mr. O'MAHONEY. Number 2 appears on page 7 of the bill:

To be eligible for such compensation—

That is, the soil bank compensation, and I am reading from page 7, beginning on line 15—

To be eligible for such compensation the producer (a) shall reduce his acreage of the commodity below his farm acreage allotment within such limits as the Secretary may prescribe, (b) shall specifically designate the acreage so withdrawn from the production of such commodity \* \* \* and (c)—

And here comes discretionary delegation No. 3—

shall not harvest any crop from, or graze, the reserve acreage unless the Secretary, after certification by the governor of the State in which such acreage is situated of the need for grazing on such acreage, determines—

That is, the Secretary—

that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing.

The Secretary of Agriculture and he alone may decide when damage or hardship may be relieved. How simple it would have been, Mr. President, to have written into that paragraph that, in the case of severe drought, flood, or other natural disaster, the Secretary shall consent. But instead of that, the Secretary, and he alone, is the person who must grant the consent.

When we delegate these powers, Mr. President, we must remember that the Secretary is only human. He has only 24 hours in the day, as all the rest of us have, and most of the work he does must be delegated to somebody else. So nobody knows who actually will carry on this discretionary power.

Now we come to No. 4 on the list of delegations of legislative power, on page 8, beginning on line 6:

In the formulation and administration of the acreage-reserve program the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers—

That is a wholly laudable objective, but it is the Secretary who is to protect the sharecroppers and tenants in the manner that pleases him—not the Congress. This protection, on line 11, reads—

and including such provision as may be necessary to prevent them from being forced off the farm.

What sort of a program is this? How can it be enforced? Who is going to make the determination whether the tenant or the sharecropper will be forced off the farm? The Secretary. What are the factors that go into the shaping of his decision? They do not appear here.

Now we come to No. 5 on our list; on the same page 8, beginning in line 13:

The acreage reserve program may include such terms and conditions, in addition to those specifically provided for herein, including provisions relating to control of noxious weeds on the reserve acreage, as the Secretary determines are desirable to effectuate the purposes of this act.

Nobody but the Secretary can determine whether the elimination of noxious weeds shall be desirable and sufficient to "facilitate the practical administration of the acreage reserve program."

Here is No. 6, section 204:

SEC. 204. For purposes of the acreage reserve program the Secretary shall establish a national reserve acreage goal for the 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn, rice, flue-cured tobacco, burley tobacco, and cigar binder tobacco types 51, 52, 54, and 55, respectively.

Who establishes the goal? The Congress? No. The Secretary. Who says how many acres in the United States shall be set aside in the soil bank? The House? No. The Senate? No. The Agriculture Committee of the Senate? No. The Agriculture Committee of the House? No. The Secretary. He gives the word. His is the power.

Who tells the farmers of the land what the goal shall be? The Secretary, and he alone.

This is No. 7, on page 9, beginning on line 1:

The limits within which individual farms may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program.

Let me repeat:

The limits within which individual farms may participate in the acreage reserve program shall be established in such manner as the Secretary determines.

Mr. President, did the constitutional fathers ever in their dreams imagine that the time could come when a Congress of the United States would be asked to give away to a Cabinet officer such great control over the farmlands of the United States? They sought to establish a government of the people, by representatives of the people, and not a bureaucratic dictatorship which would extend to the determination of all the details of an agricultural program affecting individual farms throughout the land.

Here is the eighth instance of legislative delegation:

#### COMPENSATION OF PRODUCERS

SEC. 205. (a) Producers shall be compensated for participating in the acreage reserve program for any commodity through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary—

Does the Congress provide the regulations? No. Of course, I realize that for 30 years or more Congress, in the progress of the delegation of its powers, has been setting up boards and commissions, and has been giving them power to write rules and regulations. But heretofore the Congress has endeavored to set up standards which would control the exercise of the discretion of the Executive or of the board or of the Commission. However, we search this bill in vain to find standards to guide the discretion of the Secretary. Instead, he is given the power—almost in words of one syllable—to do what? Here is the ninth instance. I have previously read this provision; but in order to have it fall in its consecutive place, I read it again:

Compensation under this section shall be at such rate or rates as the Secretary deter-



mines will provide producers with a fair and reasonable return for reducing their acreage of the commodity, taking into consideration the loss of production of the commodity on the reserve acreage, any savings in cost which result from not planting the commodity on the reserve acreage, and the incentive necessary to achieve the reserve acreage goal.

#### THE SECRETARY AND THE INCENTIVES

Mr. President, what does the word "incentive" mean, as used in that provision? It means, it seems to me, that if \$1 does not suffice, the Secretary should try \$2; and if \$2 does not suffice, he should try \$5; or perhaps he should fall into the practice which we see on the television, these days—in which case we shall have a \$64,000 program or a \$100,000 program, and the Secretary shall see which will be the best in order to provide the necessary incentive.

Mr. President, does that seem to be a wild suggestion on my part? If any Senator or any other reader of the CONGRESSIONAL RECORD thinks so, then I ask him to turn to page 15 of the bill and read subsection (c) of section 207:

(c) In determining the lands in any area to be covered by contracts entered into under this section, the Secretary may use advertising and bid procedure if he determines that such action will contribute to the effective and equitable administration of the conservation reserve program.

We set up a huge fund—amounting to millions of dollars—for the payment of benefits. We allow the Secretary to fix the rates; and then we allow him—in order that he may provide a proper incentive to induce farmers to set aside their lands, to place them in the soil bank—to resort to advertising and bidding, which means "bid it up, bid it up, bid it up."

Mr. ELLENDER. Mr. President, will the Senator from Wyoming yield at this point?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. O'MAHONEY. Certainly.

Mr. ELLENDER. The reason for that provision is—

Mr. O'MAHONEY. I admit it needs explanation.

Mr. ELLENDER. It was a proposal submitted by the Senator from Iowa [Mr. HICKENLOOPER], and we heard a special witness in that regard. The object of the provision is to get the farmers to bid their acres in; and the one who bids the least money to bring about the desired amount of reduced production will be permitted to participate in the conservation reserve. It is not a question of the farmer getting more money. Instead, it is a question of the Government getting the reduction with the least amount of cost.

Mr. O'MAHONEY. Then let us amend this section so as to make sure that the advertising and bid feature is for the purpose of getting more acres set aside, and not for the purpose of having more money paid. Such an amendment would be an excellent one to this provision of the bill.

Mr. ELLENDER. Perhaps the Senator from Wyoming will prepare the

amendment. What I have stated is the purpose of the present provision.

Mr. O'MAHONEY. I accept the Senator's explanation. I say such an amendment should be written into the bill.

Mr. ELLENDER. Furthermore, the Senator from Wyoming should bear in mind that the program is entirely voluntary; there is no compulsion of any sort or in any manner.

Mr. O'MAHONEY. I realize that. But it is designed to get land out of production, and is designed to authorize the Secretary to provide the incentives.

Mr. ELLENDER. That is correct.

Mr. O'MAHONEY. Now I come to the 10th instance; it appears on page 11 and 12:

#### SUBTITLE B—CONSERVATION RESERVE PROGRAM TERMS AND CONDITIONS

SEC. 207. (a) To effectuate the purposes of this act the Secretary is hereby authorized to enter into contracts for periods of not less than 3 years with producers determined by him to have control for the contract period of the farms covered by the contract wherein the producer shall agree—

Here is a determination to be made by the Secretary, under the authorization of the bill, by which he may select by his own decision the farmers whom he deems to have control of the land to be covered in the contracts.

Now we go to the 10th instance, which appears on page 13; it is subparagraph (5), of section 207 (a)—one of the provisions regarding what shall be written into the contract. I read:

The producer shall agree:

\* \* \* \* \*

(5) Not to adopt any practice, or divert lands on the farm from conservation, woods, pasture, or other use to any use, specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract.

Any practice specified by the Secretary. Can delegation of power of Congress go further?

This is the 12th instance; and, again, this is to be a part of the producer's contract:

(6) To forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the farm if the Secretary determines that such violation is of such nature as to warrant termination of the contract, or to make such refunds or accept such payment adjustments, or forfeit such price-support benefits, as the Secretary may deem appropriate if he determines that the producer's violation does not warrant termination of the contract.

Then we come to instance No. 13, on page 13, beginning in line 20 with subparagraph (7):

(7) To such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this act and to facilitate the practical administration of the conservation-reserve program, including provisions relating to control of noxious weeds.

In other words, here we have the power granted to the Secretary of Agriculture to determine what additional provisions, not mentioned in the bill, must go into the contract which the producer must sign.

No. 14, beginning in line 3 on page 14, subparagraph (1) of subsection (b) of the same section, addressed to the obligations of the Secretary, reads as follows:

(b) In return for such agreement by the producer the Secretary shall agree:

(1) To bear such part of the cost (including labor) of establishing and maintaining vegetative cover or water storage facilities, or other soil, water, wildlife, or forest conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this act, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated;

Additional power and discretion are conferred upon the Secretary. Congress passes. The Secretary decides.

Instance No. 15 is subparagraph (2) of the same subsection. Again it refers to the rates. Beginning in line 14 on page 14:

The rate or rates of the annual payment to be provided for in the contracts shall be established on such basis as the Secretary determines will provide producers with a fair and reasonable annual return.

Surely there is nothing more important than fixing the rates, nothing more clearly a function of Congress, but we toss it away to the Secretary. Are we not deliberately breaking down the constitutional separation of powers?

The Secretary determines not only what the rate or rates shall be, but he determines what the fair and reasonable return on the land established in protective vegetative cover or water storage facilities shall be.

Instance No. 16, beginning in line 2, on page 15:

Such rate or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program.

Under this provision the Secretary may go from the smallest family-sized farm to the largest ranch and deal with them all on an individual basis.

Instance No. 17 in this continuous surrender of legislative duty is found beginning in line 6 on page 15:

(c) In determining the lands in any area to be covered by contracts entered into under this section, the Secretary may use advertising and bid procedure if he determines that such action will contribute to the effective and equitable administration of the conservation reserve program.

The Senator from Louisiana [Mr. ELLENDER] has already indicated that that provision may be considered for amendment.

Instance No. 18 is found on page 15, beginning in line 14:

Whenever the Secretary has reason to believe that there has been a violation which would warrant termination of a contract he shall give the producer written notice thereof and the producer shall, if he requests such an opportunity within 30 days after mailing or serving of such notice, be given an opportunity to show cause, in a formal or informal proceeding under regulations promulgated by the Secretary, why the contract should not be terminated. If the Secretary determines that the contract shall be terminated the producer shall be given written notice of such determination. If the pro-



ducer feels aggrieved by such determination, he may within 90 days after the mailing or service of such notice appeal to the United States district court, for the district in which the land covered by the contract is located, for a determination of the facts in the case and judicial relief with respect thereto. If the producer does not request an opportunity to show cause why the contract should not be terminated, within such 30-day period, or appeal from the Secretary's determination within such 90-day period, the Secretary's determination shall be final and conclusive.

I should like to have the opinion of any lawyer in the Department of Agriculture as to the ability of any producer to get into court with a justiciable issue, considering all the discretionary power proposed to be granted to the Secretary by this bill.

Instance No. 19 is section 208 (a). It deals with the establishment of a national conservation reserve goal:

#### CONSERVATION RESERVE GOAL

SEC. 208. (a) The Secretary shall not later than February 1 of each year determine and announce the national conservation reserve goal for such year. Such goal shall be that percentage which the Secretary determines it is practicable to cover by contracts during such year of the number of acres, if any, by which (1) the acreage used for the production of agricultural commodities during the year preceding the year for which such determination is made, plus any acreage then in the acreage or conservation reserve program or retired from production as a result of acreage allotments or marketing quotas, exceeds (2) the acreage needed during the year for which such determination is made for the production of agricultural commodities for domestic consumption and export and an adequate allowance for carry-over. As soon as practicable after the enactment of this act the Secretary shall determine the national conservation acreage goal for 1956.

#### THE GIGANTIC TASK OF REGIMENTING THE FARMERS

I do not wonder that the Senator from Florida [Mr. HOLLAND] said that the committee found the task of regimenting the farmers of America so great that it was unable to devise any formula with which to do it, and so it sought to establish a czar.

Why should not Congress determine what the goal should be each year, and save the Secretary and his staff all these decisions? It is within the power of Congress to do it.

The next instance, No. 20, is found on page 17, beginning in line 3. It is subsection (b) of section 208. It reads as follows:

(b) In distributing the national acreage goal among the various States and major crop production regions, the Secretary shall give due regard to the respective needs of the various States and regions for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate in the conservation program; the diversion of acreage from crops under acreage allotments or marketing quotas; and the need to assure adequate production of agricultural commodities and products not in surplus and to discourage the production of agricultural commodities and products in surplus.

I stated that I had begun reading the bill while listening to the speech of the able Senator from New Mexico [Mr. ANDERSON], and that, having covered 18

pages, I had found 20 or more instances of the delegation of legislative power to the Executive.

I believe this to be the most expansive grant of discretionary authority to legislate for the people of America that has ever been given to any Executive in this country. Oh, I know that during the depression, after the McNary-Haugen Act had been repeatedly vetoed, and the prices of farm commodities had sunk to an all-time low, when farmers were gathered in many courthouses to protest the foreclosure of mortgages, and sometimes threatened to haul the judge from the bench—

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. THYE. What the distinguished Senator from Wyoming speaks of in connection with the terrible hardship years the farmers experienced is what has caused me to pay as much attention to farm legislation as I have. During the early thirties I appraised many farms for the Federal land bank. At that time Congress enacted what was known as the Commissioner's loan. It was enacted for the purpose of creating a fund to be used for second mortgages. It was realized that land-bank loans must be conservative, because the laws regarding them were so intended. Consequently, there was not sufficient lending ability available to the Federal land banks to make all necessary loans. Therefore, Congress enacted the Commissioner's loan, to create a fund for use as second mortgages to the land-bank loan.

That saved the farmer. I am fully acquainted with that situation as I worked directly under it. In the winter of 1934, in order to keep ahead of the sheriffs' sales, I appraised lands in the Midwest, when the ground was not only frozen, but oftentimes covered with several inches to a foot or more of snow.

We could determine the value of land only by knowing the area or by judging the quality of the grain and hay grown on it.

Normally, we did not appraise in the dead of winter in a northern region. Appraisers want to see the condition of the ground and determine the depth of the top soil. However, we had to do it in the winter in order to keep ahead of the sheriff's sales.

I shall never forget that experience. Therefore, I shall never be a party, in Congress or in private life, to a program which will bring about a return to such disastrous economic conditions in the farm areas of the Nation.

Because of my experiences, I am compelled to stand here today and urge continuance of the 90-percent program until such time as the soil-bank program can operate and take some of our acreage out of cropping, and thus effect a reduction in the overall surpluses we are confronted with today.

I wish to commend the Senator from Wyoming for referring to a time in the history of our Nation of which all of us should be constantly reminded. We must be mindful of the fact that we may some

day return to those terrible conditions if we are not careful.

#### THE CYNICS AND THE SMALL FARM

Mr. O'MAHONEY. Mr. President, I am glad the Senator from Minnesota has stated his experience in that connection.

I was in Wyoming in those days. I had occasion to travel through the State of Iowa and I remember occasions in that State when, because of the low price of milk, milk trucks delivering milk to the cities were being overturned by the farmers because the Government had not done anything to aid the depreciation of farm prices.

We are facing the same situation today. However, we are facing it when there are cynics in the land who say without hesitation that the time has gone for the family-sized farm and that agriculture is big business and that we must let the farmer and his wife and his children give up the hope of settling upon a farm.

The other day I called up the Bureau of Reclamation to find out if there were still applications being made for reclamation farms. There are. The popularity of farms of limited acreage—80 acres, 100 acres, or 120 acres—is indicated by the fact that since 1946 there have been 49 land openings in the reclamation States.

Mr. THYE. Mr. President will the Senator yield?

Mr. O'MAHONEY. Let me first state the facts. There were 49 land openings. Two thousand one hundred and sixty-seven farm units were available for distribution. Only 2,167, Mr. President. In recent days several hundred veterans have applied for admission to small farms.

It is only a few years ago since the close of the war that I stood in a motion picture theater in the city of Powell, Wyo., when the Heart Mountain project was opened. There were so few small units for the many veterans who had applied that the names of the applicants were written upon small tablets and poured into a huge glass bowl, 3 feet in depth and 18 inches in diameter, or approximately that. That bowl was turned by hand. Then the Commissioner of Reclamation and the Deputy Commissioner and the Governor of the State and the Senator from the State—which was I—had the opportunity of drawing those names.

The Commissioner of Reclamation drew five names. The Deputy Commissioner drew five names. That was 10 so far. The Governor of the State then drew 3. That was 13. Not a single name of a citizen of Wyoming had been drawn up to that moment. Then I was called upon to draw, and I am happy to report that I had the good luck to draw two Wyoming names.

Mr. ELLENDER. Out of three?

Mr. O'MAHONEY. Out of three. What I wish to point out is that the veterans of the country still believe in the agricultural way of life. However, business leaders do not believe that way.

Mr. THYE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.



Mr. THYE. I wish to join in the comment that the veterans of America still desire farms and oftentimes do go into farming. The only reason I wish to comment at this point is to call attention to the fact that when some people speak of a farm that is too small to be efficient, it is an idle statement and frequently an inaccurate one.

I have seen most efficient farmers operating on 80-acre farms in southern Minnesota, I have seen many times farmers on 80-acre farms prove to be highly efficient farmers, with an excellent net return in a year. I have seen such a farmer able to provide for his children just as well as a larger operator.

It is utterly impossible to measure what is a profitable and efficient farm, and many times all the theories which may be applied in trying to determine what is a profitable and efficient farm go out the window.

Mr. O'MAHONEY. Does not the Senator agree that that question is bound inevitably to enter into the determinations and decisions of those who will be in charge of writing the rules and regulations and in carrying out the soil bank provision?

Mr. THYE. That is correct. Time after time I have seen a small family unit of 80 or even 40 acres, lying among other farms of 3 or 4 times that size, become the most efficient and most profitable farm in returns to the operator. It is a way of life for the family. The children attend school, aiding and assisting with the chores mornings and evenings, and they are at home during the summer recess and do some of the field work. When I hear it said that the family farm is an inefficient unit and it has to be supplemented, it is almost laughable when practical experience is applied.

Mr. O'MAHONEY. Let me read to the Senator from an editorial published in the Journal of Commerce.

Mr. J. Roger Wallace was speaking on Tuesday, February 21, at a luncheon meeting of the Commodity Club of New York. The speech was entitled "What Is Wrong With Our Agricultural Policy?" Let me read just a few extracts from it:

If agriculture were permitted to become truly efficient, there would be no place at all in agriculture for the hundreds of thousands of small, inefficient farmers who at best can make no more than a miserable living from the soil.

The political angle is disguised under the slogans of "agriculture as a way of life" and "perpetuating the family farm." Actually, what is being perpetuated in many instances is no more than farm slums.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. THYE. Mr. President, if in this country we ever reach the time when there are nothing but large farm units and farm-management operations, we will have not only organized farm workers, but we will have what has been experienced in the pineapple farm operations in the Hawaiian Islands, where lands are owned by corporations and the farms operated by the owners of sugar-mill companies. In order that the workers could eke out a bare existence, they were compelled, oftentimes, to go on

strike to force wages up. If the corporation-type farm ever becomes the basis of agriculture in this Nation, that which our forefathers willed us will be lost to future generations. There will not be families residing on small independent farm units across the Nation. There will be great estates, with overseers, and with small houses for the field workers to return to at night. There will be neither opportunity nor a sense of ownership or initiative given to the individual who loves the soil and wants to farm.

Mr. O'MAHONEY. And those who buy the farms will offset their farm losses against the huge profits they make in industry.

Mr. AIKEN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. Will the Senator pardon me just a moment?

Mr. President, instead of reading the entire statement, I ask unanimous consent that the entire text as printed in the New York Journal of Commerce of Thursday, February 23, 1956, be made a part of my speech at this point.

I think I made a mistake and referred to Mr. Wallace as Mr. Rogers. The name is J. Roger Wallace. In order to make it clear that he is not the Henry Wallace who once was Secretary of Agriculture, who did work for the small farmer and who did originate the theory of the soil bank, I wish to call attention to the fact that this Wallace is J. Roger Wallace.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### FEDERAL GOVERNMENT BLAMED FOR CHAOTIC AGRICULTURAL SITUATION

Incorrect diagnosis by the Federal Government of the true nature of the farm problem is primarily responsible for the present chaotic agricultural situation. In the mistaken belief that artificial elevation of prices is the solution, the Government has accumulated billions of dollars worth of farm products that cannot be liquidated except at tremendous loss.

As a result of this misguided emphasis on prices, the American consumer has been forced to pay more for practically everything he buys, both farm products and non-farm products.

#### RELIEF PROVES COSTLY

During the past two decades, some \$20 billion of taxpayers' money have gone down the drain of farm "relief." A huge bureaucracy has been created to administer the various phases of a succession of bungling farm programs.

As surpluses have accounted, owing to the willful destruction of both domestic and export markets, restrictions have been imposed on production of certain crops only to turn farmers to other crops and resultant new surpluses.

There is no evading the fact that the Government farm program, as presently conceived, is a complete failure. It was obvious some 25 years ago, when Washington first undertook to elevate farm products prices, that such attempts to nullify the law of supply and demand could only result in failure and a chaotic agricultural situation.

#### PATCHWORK CONTINUING

However Congress still is attempting to patch up the farm program wreck rather than junk it. But, nothing can save American agriculture from further chaos except abandonment of price controls and restora-

tion of free markets. Even though it may not be possible to do this in one fell swoop, we can make a start, with a definite time goal for the termination of all price supports.

During the early days of the industrial revolution in England, the displaced workers mobbed the factories and smashed the machines, trying to turn the clock back. In essence, that is what the Government has been trying to do to the agricultural revolution.

This is implicit in the parity price concept, deliberately set up to ignore the sharp increases in agricultural productivity and improved methods of agricultural production that should be benefitting consumers as well as farmers.

#### RIDES BOTH MULE, TRACTOR

The Government, with its misguided and bungling farm policies, is trying at one and the same time to ride both the mule and the tractor, with each moving in opposite directions. Through the application of machinery and scientific methods, agricultural productivity per man-hour has doubled since prewar and still is rising rapidly.

On highly mechanized farms, the gains in productivity have been much greater.

Washington, not content with acreage restrictions that stifle efficiency and put premiums on inefficiency, now is talking of putting chains on productivity through rigid production quotas. This, of course, would be a deliberate step backward.

One does not have to be particularly cynical to conclude that the primary objective of governmental agricultural policy is political rather than economic or social. If agriculture were permitted to become truly efficient, there would be no place at all in agriculture for the hundreds of thousands of small, inefficient farmers who at best can make no more than a miserable living from the soil.

Although they produce little, they count heavily in the election returns.

#### DISGUISED UNDER SLOGANS

The political angle is disguised under the slogans of "agriculture as a way of life" and "perpetuating the family farm." Actually, what is being perpetuated in many instances is no more than farm slums. If these people were to pick up and leave for more gainful occupations, many politicians would have no constituents left to vote for them.

There are approximately 5 million farms in the United States. Of these, 3 million or 60 percent account for only 15 percent or even less of total farm output. These farms range in size from a few acres to just under 100 acres.

The average cropland harvested is only 18 acres per farm, altogether too little for any amount of mechanization. Efficient production is impossible on these tiny farms.

On these 18 acres, with average yields per acre and current prices, a farmer could raise a cotton crop worth about \$1,500 or a wheat crop worth about \$600 or a corn crop worth about \$750. This is the gross value of the average output of these 3 million farms, assuming that the entire 18 acres were planted in one of the 3 crops noted.

Actually, some of the 18 acres has to be planted in food for the family and feed for animals. Taxes, seed, fertilizer, insecticides, and so on, have to come out of the few hundred dollars received for sale of crops.

#### SCANT AID RECEIVED

Production on these farms is so small that price supports can add very little to family income. Some of these small farmers supplement their income through part-time jobs in industry, but this is not an altogether practical solution owing to transportation and distance difficulties.

Actually the Government has done a disservice to many of these small farmers by encouraging them to stay on their farms.



The politicians have done them a disservice by encouraging them to believe that Washington somehow can stimulate prices of farm products sufficiently to make a real difference in their income.

Business has been crying for more workers, and there is no doubt that the great majority of these very low-income farm families would fare better in the business world than by trying to grub out a bare living from the soil.

#### TRANSITION POSES PROBLEMS

There are numerous problems involved in such a transition, but many farmers already have solved them as indicated by the declines in farm population during the past 20 years or so. Some governmental assistance might be needed. This is too much of a problem for the Department of Agriculture alone.

The solution probably would require the joint efforts of three governmental Departments, Agriculture, Labor, and Commerce.

The soil-bank plan might be used to pay farmers for taking these numerous small, inefficient farms out of production, although it probably would be much cheaper for the Government to buy these farms outright than to pay rent on them for a prolonged period.

#### LARGER FARMS NEEDED

There is no particular merit in bigness itself, but it is a fact that a farm has to be rather big today to warrant the necessary mechanization to make it efficient. The gasoline engine and rural electrification have altered the pattern of agricultural production just as much as James Watt's steam engine altered the pattern of industrial production.

The trend is definitely toward larger farms where the use of large mechanized equipment is practicable.

Agricultural economists state that, for maximum efficiency under present-day best farm practices, the size of a farm should range from 600 acres to 3,000 acres.

The 1950 census showed 304,000 farms ranging from 500 acres to over 1,000 acres. These represented only 5.7 percent of the total number of all farms at that time, but accounted for over 50 percent of all farmland and 30 percent of cropland harvested.

There are some 2 million medium and large scale farm operators whose farms range from 100 acres to over 1,000 acres. Representing 40 percent of all farmers, they account for 85 percent or more of total cropland harvested and contribute correspondingly to total farm output.

The average cropland harvested per farm is between 125 and 150 acres, as compared with only 18 acres for the 3 million small farms.

#### BURDENED WITH CURBS

Many of these medium and large farms are not able to operate at maximum efficiency since they are burdened with restrictions in the form of Government acreage allotments.

Price supports and restrictions on production go hand in hand, of course. The majority of these farmers are equipped to produce profitably at prices well below current levels for the price-supported crops, and they are irked at acreage controls. They need no price supports.

Undoubtedly, these 2 million farms can produce all the farm products needed for domestic consumption plus export requirements. Increased efficiency should result in lower production costs and lower prices for consumers.

Mr. O'MAHONEY. I now yield to the Senator from Vermont.

Mr. AIKEN. I wonder if the Senator is familiar with this little book which is entitled "Full Prosperity for Agriculture," which is published at 1001 Connecticut Avenue by the Conference on Economic Progress.

Mr. O'MAHONEY. I must confess to the Senator from Vermont that I have been so busy reading the bill which came from the committee that I have not had the time to read Mr. Keyserling's booklet. I have it, but I have not had an opportunity to read it.

Mr. AIKEN. It is a very complete work of the National Committee of the Conference on Economic Progress.

Mr. O'MAHONEY. Let me say to the Senator that the author of that booklet, in whom I have a good deal of confidence, is not yet the czar of agriculture, as the present Secretary of Agriculture will be made if this bill shall pass.

Mr. AIKEN. This is the first time I have known that Mr. Keyserling wrote this book. It was sent to me by Mr. James Patton, president of the National Farmers Union.

Mr. O'MAHONEY. I am looking across the aisle to the Senator. He may not have in hand the book which I thought he had.

Mr. AIKEN. It is the same one, I am sure.

Mr. O'MAHONEY. If it is, the name is on it.

Mr. AIKEN. Does the Senator agree with the proposal—and I am referring now to page 99 of the book—that it would require "the exodus from the farm population of about 2 million people by 1960" to lift the standard of living of the farmers?

In other words, does the Senator agree with Mr. Keyserling—and I am glad to know who wrote this book—that we should liquidate about 950,000 of the smallest farms in the United States within the next 4 years as proposed on page 108 of the book?

Mr. O'MAHONEY. I do not agree with any proposal to liquidate any of the farmers of America.

Mr. AIKEN. The book is sponsored by a very distinguished group, including Mr. Keyserling, Mr. Patton, Mr. Reuther, and Mr. M. W. Thatcher.

Mr. O'MAHONEY. They are distinguished gentlemen, but I speak for myself.

Mr. AIKEN. This is quite an interesting book, and I commend it to the Senator's reading. [Laughter.]

Mr. O'MAHONEY. I shall tell Mr. Keyserling that the Senator from Vermont has endorsed his book upon the floor of the Senate. [Laughter.]

Mr. AIKEN. I have not met anyone who knew the authorship until now.

Mr. O'MAHONEY. Mr. President, I wish to add a few more points for the RECORD.

Early last week the Secretary of Agriculture was testifying before the Joint Committee on the Economic Report. I was a member of that committee, and it was a very interesting session.

#### SECRETARY BENSON'S LETTER

The Secretary answered fully and frankly the questions propounded to him by members of the committee. Later, on the floor of the Senate, I told the Senate what some of the questions were which I had requested the Secretary to answer, regarding what he felt about some of the issues. I have in my hand Secretary Benson's letter of March 1,

1956, responding to some of the questions which were raised at the hearing and which were mentioned by me on the floor of the Senate.

Mr. President, I ask unanimous consent that this letter may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### DEPARTMENT OF AGRICULTURE,

Washington, March 1, 1956.

Hon. JOSEPH C. O'MAHONEY,

United States Senate.

DEAR SENATOR O'MAHONEY: In the hearing on February 28 before the Joint Committee on the Economic Report and again that same day on the floor of the Senate, you requested certain information from me.

One item was mentioned by you on page 3019 of the CONGRESSIONAL RECORD: "I requested Secretary Benson to have prepared an amendment which would prevent abuse of the sale of our surplus food commodities in Russia."

As Senator AIKEN responded, such an amendment was offered in his bill, S. 2949. The amendment appears on page 20, lines 8 and 9 of that bill, and reads as follows:

"Section 304 of Public Law 480, 83d Congress (68 Stat. 454), is hereby repealed."

The enactment of this amendment would permit CCC-owned agricultural commodities to be used in barter transactions with other than friendly countries.

The other item you requested appears on page 3020 of the CONGRESSIONAL RECORD:

"The other question I asked the Secretary of Agriculture was this: Inasmuch as the President has expressed sympathy toward the family-sized farm, would the Secretary consider an amendment to the bill which would provide that the full 90-percent supports would be extended to the production from family-sized farms, farms operated by families, and that the flexible supports should be confined solely to corporate farms and farms of a thousand acres or more?"

First of all, the President's intent was not identical with the objective you have indicated. The President said:

"The average size of farms in American agriculture, as measured by capital or by acres, has rapidly increased. To the degree that this trend is associated with the development of more economic and more efficient farm units it is in the interest of farm families and of the Nation. To the degree, however, that it has resulted in the removal of risk for large farm businesses by reasons of price supports, it is much less wholesome and constitutes a threat to the traditional family farm."

"Under the price support machinery as it has been functioning, price support loans of tremendous size have occasionally occurred. It is not sound Government policy to underwrite at public expense such formidable competition with family-operated farms, which are the bulwark of our agriculture."

"I ask the Congress to consider placing a dollar limit on the size of price-support loans to any one individual or farming unit. The limit should be sufficiently high to give full protection to efficiently operated family farms."

Various bills have been offered which have the objective mentioned in your question. Among them are S. 2776 and S. 3027. Each of these bills is addressed to the objective indicated by your question.

The Department of Agriculture has undertaken thorough study of the approach embodied in these bills. The National Agricultural Advisory Commission studied the problem and advised against this approach for the following reasons:

1. Providing price supports for family farms at a high and rigid level would result



in giving effective support for the entire crop at that level, since by far most of our farm products are produced on family farms. The family farms would hold a price umbrella for the other farms.

2. The purpose of the legislation could be defeated, in part, by producers which would divide a large farm from a legalistic standpoint but preserve it as an operating unit.

3. Inefficiency would be encouraged and perpetuated by subsidizing farm units of uneconomic size.

Two years ago Senator DWORSHAK invited our comments on a proposal of the type you mention. We advised against this approach, as indicated in the attached copy of a letter to Senator AIKEN.

As Senator THYE indicated in his colloquy with you, legislation of the type you have in mind has been before the Senate Committee on Agriculture.

If I can be of further assistance, please do not hesitate to call on me. The need for prompt enactment of the administration's farm proposals is urgent. The President said: "I urge the Congress to pass this program with maximum speed."

Sincerely yours,

E. T. BENSON,  
Secretary.

Mr. O'MAHONEY. Mr. President, in addition to that, I made request of the Secretary of Agriculture for some information with respect to the number of farms by tenure of operator in the United States. This morning, at my office, with a memorandum dated March 2, I found two tables relating to farm tenancy and farm employment. I ask unanimous consent that the memorandum and the tables be printed at length in the RECORD.

First, however, I wish to call attention to 1 or 2 of the very interesting figures which appear.

All the farm operators in the United States in 1900 numbered 5,737,000. There was a rather general increase, which was impeded a little in 1925 and 1930, but continued until 1935. The period between 1925 and 1930 was the time of the agricultural depression, when farmers were leaving the farms.

The year 1935 was after some relief legislation had been passed. The number of farms in 1935 was 6,812,000, according to the table sent to me by the Secretary of Agriculture. That was the high point. From that time onward, the decline has been continuous.

In 1954, there were 4,782,000 farms.

In a table showing the percentage of distribution, I find these very interesting facts:

In 1900, the number of part owners was 7.9 percent of the total number of owners. In 1910, the percentage of part owners increased to 9.3 percent. In 1920 and 1925, the number was static at 8.7 percent. In 1930, the number of part owners rose to 10.4 percent. In 1935 and 1940, the number was static at 10.1 percent. In 1945, the number of part owners was 11.3 percent of the total number of owners. In 1950, it was 15.3 percent. In 1954, it was 17.9 percent.

Those are the figures which I have received from the Secretary of Agriculture.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ELLENDER. Would the Senator state what is meant by "part owners"?

Mr. O'MAHONEY. Part owners are those who are not the full operators.

Mr. ELLENDER. Does that mean ownership by the operator?

Mr. O'MAHONEY. Yes. The listings are "owners," "full owners," "part owners," "managers," and "tenants."

The number of family workers has been declining steadily.

Mr. AIKEN. Mr. President will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. AIKEN. Has not the percentage of tenants dropped?

Mr. O'MAHONEY. Yes, the percentage of tenants has dropped.

Mr. AIKEN. I wonder if the Senator would read the figures as to tenants.

Mr. O'MAHONEY. In 1900 the percentage of tenants was 35.3; in 1954 it was 24.4 percent. That was because of the decrease in the number of farms, and because wealthier persons are buying small farms to make larger farms. They are buying the land of the family-size farms from farmers who cannot subsist upon low prices and who are, therefore, being driven from the farms.

Mr. AIKEN. Does the Senator have the figure of the percentage of tenants in 1950, for instance?

Mr. O'MAHONEY. Yes. In 1940 it was 38.7 percent.

Mr. AIKEN. There has been quite a drop.

Mr. O'MAHONEY. Yes, there has been quite a drop. The number of family workers also has dropped. In 1940, for example, the number of family workers on the farms were 8,300,000.

In 1955, the number was 6,341,000.

The number of hired workers has dropped also because of the coming of the machines.

The farm problem with which we are dealing is the farm problem which has been brought about by mechanized farming and by the increasing amount of production on the larger farms.

I have no doubt that is why the senior Senator from North Dakota [Mr. LANGER], the junior Senator from North Dakota [Mr. YOUNG], the senior Senator from Utah [Mr. WATKINS], and the senior Senator from Minnesota [Mr. THYE], together with other Senators, have been suggesting the adoption of an amendment by which the payment would be scaled down as the farm size increases.

#### SAVE THE FAMILY FARM

The corporate farm and the large farm with huge production do not need the support which the family-sized farm needs. In my opinion, from the facts which have been developed in the debate so far, the conclusion is clear that, unless we want to see more family farms abandoned and sold out, we had better support the 90-percent-of-parity provisions of the bill reported by the committee, whatever we may do with the soil-bank proposal, which I think ought to be eliminated, because I think it needs more study. I think it was proposed in 1956 because there was a realization that there is a farm problem in the United States which has not been solved.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. YOUNG. The lowering of price supports certainly would accelerate the liquidation of smaller farmers, would it not?

Mr. O'MAHONEY. I think there is no doubt about that.

Mr. YOUNG. I was impressed by the testimony of one of the witnesses at the hearings in Louisiana. I think he described the farm situation about as well as any of the many witnesses we heard throughout the country. He said that when the smaller cotton farmer of the South goes out of business, the bigger operator comes along and takes over the same farm. He produces much more per acre than the smaller farmer did; and thereby helps to create even larger surpluses.

Mr. O'MAHONEY. There is no doubt about that. Not only is that true, but the large operator creates surpluses in other commodities.

There is a greater surplus of cattle in the country today than at any other time. The cattle population of the United States today is so large that there is 1 head for about every 1½ persons in the entire population.

Mr. YOUNG. The Senator is familiar with agriculture in the Great Plains area. Does he not agree that as the number of large farms increases, and the smaller farms are disappearing, the small towns and cities are affected? If the trend toward bigger farms by the big farm operators continues, the little towns and cities will soon cease to exist.

Mr. O'MAHONEY. The small-business men will be injured; small banks will be closed; the support for rural schools will be reduced. Unmeasured damage will be done to the social system which now exists.

I think the question of creating a soil bank by the provisions of this bill, should be treated with much greater consideration than has been given to it to date by either the Department of Agriculture or the Committee on Agriculture and Forestry. I say that without in any degree discounting the amount of work which the committee, under the chairmanship of the Senator from Louisiana [Mr. ELLENDER] has done. I compliment him highly for the time he has spent in traveling all over the country and in getting the information from the people in the various States.

It is unquestioned that the family sized farm is disappearing, and that the industrial leaders want the family sized farms to disappear. When they shall have disappeared, the land will be taken over by the big mechanized farmers.

It is clear that the President in his agriculture message to Congress declared his sympathy with the family sized farm. But if it had not been for the action of the committee in reporting a bill providing for 90-percent supports, there would be nothing in the bill which would help the small farmer.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the two tables to which I have referred and the accompanying memorandum from Mr. Koenig.

There being no objection, the material was ordered to be printed in the RECORD, as follows:



UNITED STATES DEPARTMENT  
OF AGRICULTURE,  
AGRICULTURAL MARKETING SERVICE,  
March 2, 1956.

Hon. JOSEPH C. O'MAHONEY,  
United States Senate.  
DEAR SENATOR O'MAHONEY: Attached are  
two tables relating to farm tenancy and

farm employment. Assistant Secretary Butz  
asked me to have these tables prepared and  
send them to you in response to the request  
which you made of him earlier this week at  
the hearing before the Joint Committee on  
the Economic Report.  
Sincerely,  
NATHAN KOENIG.

# ANCHER NELSEN, ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. THYE. Mr. President, ever since  
the establishment of the Rural Electrifi-  
cation Administration as an integral part  
of the Department of Agriculture, there  
has been genuine bipartisan support for  
its program. We are all ware of the  
great achievements of REA. No one  
knows better than I that the electrifica-  
tion of the Nation's farms is one of the  
greatest benefits that has come to the  
rural home. It has provided a modern  
home attractive to the farm youth. But  
above all, it has given the farm family  
the element of safety and added security  
by eliminating the kerosene lamp.

It is because of the bipartisan support  
for REA in the past that I am deeply dis-  
turbed and shocked by an apparent at-  
tempt to discredit the REA and its pres-  
ent Administrator, Ancher Nelsen. I am  
convinced that the attack is political,  
and sponsored by a certain organization  
not directly connected with the REA, but  
in a position to influence consumers of  
electric cooperatives who benefit from  
the progress made by REA.

I feel that the record should be  
straightened out before it becomes dis-  
torted any further. I was gratified that  
my distinguished colleagues from South  
Dakota revealed the truth about certain  
statements attributed to Ancher Nelsen  
at a meeting in St. Louis on January 8,  
1956, where some of their constituents  
were present. Their clear and pointed  
statements, plus the letters from their  
constituents, formed an effective rebuttal  
to the charges made by a reporter of a  
Nashville, Tenn., paper on January 29,  
1956.

I regret that the distinguished senior  
Senator from Montana saw fit to insert  
that article in the Record without verify-  
ing the facts as reported.

The charge was made that Ancher  
Nelsen, at a meeting of the National  
Rural Electric Cooperative Association in  
St. Louis in January, forced his way into  
a meeting of the resolutions committee,  
and that he then proceeded to threaten  
that if they did not cooperate fully with  
him they would have a difficult time get-  
ting loans from REA.

This charge is pure politics, and sub-  
mitted for purely political purposes. I  
have read letters from those present at  
the meeting in question. They read the  
newspaper account and found it to be so  
distorted and false that they took it upon  
themselves to report the true facts.

It is most regrettable that a member  
of the press, who is charged with rep-  
orting the facts accurately, would use  
this great medium of communication in  
such a fashion. It is also regrettable  
that any organization would reprint  
thousands of copies of the article, know-  
ing it to be false, and circulate it na-  
tionally. This not only performs a dis-  
service to those who are conscientiously  
administering the REA program, but it  
does a grave disservice to the patrons of  
REA and to the American public.

Number of farms by tenure of operator

| Tenure of operator      | Number of farms (thousands) |       |       |       |       |       |       |       |       |       |
|-------------------------|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                         | 1900                        | 1910  | 1920  | 1925  | 1930  | 1935  | 1940  | 1945  | 1950  | 1954  |
| Owners.....             | 3,653                       | 3,949 | 3,925 | 3,868 | 3,568 | 3,899 | 3,699 | 3,962 | 3,915 | 3,594 |
| Full owners.....        | 3,202                       | 3,355 | 3,367 | 3,313 | 2,912 | 3,210 | 3,084 | 3,301 | 3,090 | 2,737 |
| Part owners.....        | 451                         | 594   | 559   | 555   | 657   | 689   | 615   | 661   | 825   | 857   |
| Managers.....           | 59                          | 58    | 68    | 41    | 56    | 48    | 36    | 39    | 24    | 21    |
| Tenants.....            | 2,025                       | 2,355 | 2,455 | 2,463 | 2,664 | 2,865 | 2,361 | 1,858 | 1,444 | 1,168 |
| All farm operators..... | 5,737                       | 6,362 | 6,448 | 6,372 | 6,289 | 6,812 | 6,097 | 5,859 | 5,382 | 4,782 |
| Tenure of operator      | Percent distribution        |       |       |       |       |       |       |       |       |       |
|                         | 1900                        | 1910  | 1920  | 1925  | 1930  | 1935  | 1940  | 1945  | 1950  | 1954  |
| Owners.....             | 63.7                        | 62.1  | 60.9  | 60.7  | 56.7  | 57.2  | 60.7  | 67.6  | 72.7  | 75.2  |
| Full owners.....        | 55.8                        | 52.7  | 52.2  | 52.0  | 46.3  | 47.1  | 50.6  | 56.3  | 57.4  | 57.3  |
| Part owners.....        | 7.9                         | 9.3   | 8.7   | 8.7   | 10.4  | 10.1  | 10.1  | 11.3  | 15.3  | 17.9  |
| Managers.....           | 1.0                         | .9    | 1.1   | .6    | .9    | .7    | .6    | .7    | .4    | .4    |
| Tenants.....            | 35.3                        | 37.0  | 38.1  | 38.6  | 42.4  | 42.1  | 38.7  | 31.7  | 26.8  | 24.4  |
| All farm operators..... | 100                         | 100   | 100   | 100   | 100   | 100   | 100   | 100   | 100   | 100   |

Source: Agricultural Marketing Service. Compiled from reports of the Census of Agriculture. Detail will not necessarily add to totals because of rounding.

Farm employment: Annual averages and indexes of total, family and hired, employment,  
United States, 1910-55

| Year      | Total employment          |                    | Family workers            |                    | Hired workers             |                    |
|-----------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|
|           | Average number of persons | Index, 1910-14=100 | Average number of persons | Index, 1910-14=100 | Average number of persons | Index, 1910-14=100 |
|           | Thousands                 |                    | Thousands                 |                    | Thousands                 |                    |
| 1910..... | 13,555                    | 100                | 10,174                    | 100                | 3,381                     | 100                |
| 1911..... | 13,539                    | 100                | 10,169                    | 100                | 3,370                     | 99                 |
| 1912..... | 13,559                    | 100                | 10,162                    | 100                | 3,397                     | 100                |
| 1913..... | 13,572                    | 100                | 10,158                    | 100                | 3,414                     | 100                |
| 1914..... | 13,580                    | 100                | 10,147                    | 100                | 3,433                     | 101                |
| 1915..... | 13,592                    | 100                | 10,140                    | 100                | 3,452                     | 102                |
| 1916..... | 13,632                    | 101                | 10,144                    | 100                | 3,488                     | 103                |
| 1917..... | 13,568                    | 100                | 10,121                    | 100                | 3,447                     | 101                |
| 1918..... | 13,391                    | 99                 | 10,053                    | 99                 | 3,338                     | 98                 |
| 1919..... | 13,243                    | 98                 | 9,968                     | 98                 | 3,275                     | 96                 |
| 1920..... | 13,432                    | 99                 | 10,041                    | 99                 | 3,391                     | 100                |
| 1921..... | 13,398                    | 99                 | 10,001                    | 98                 | 3,397                     | 100                |
| 1922..... | 13,337                    | 98                 | 9,936                     | 98                 | 3,401                     | 100                |
| 1923..... | 13,162                    | 97                 | 9,798                     | 96                 | 3,364                     | 99                 |
| 1924..... | 13,031                    | 96                 | 9,705                     | 96                 | 3,326                     | 98                 |
| 1925..... | 13,036                    | 96                 | 9,715                     | 96                 | 3,321                     | 98                 |
| 1926..... | 12,976                    | 96                 | 9,526                     | 94                 | 3,450                     | 102                |
| 1927..... | 12,642                    | 93                 | 9,278                     | 91                 | 3,364                     | 99                 |
| 1928..... | 12,691                    | 94                 | 9,340                     | 92                 | 3,351                     | 99                 |
| 1929..... | 12,763                    | 94                 | 9,360                     | 92                 | 3,403                     | 100                |
| 1930..... | 12,497                    | 92                 | 9,307                     | 92                 | 3,190                     | 94                 |
| 1931..... | 12,745                    | 94                 | 9,642                     | 95                 | 3,103                     | 91                 |
| 1932..... | 12,816                    | 95                 | 9,922                     | 98                 | 2,894                     | 85                 |
| 1933..... | 12,739                    | 94                 | 9,874                     | 97                 | 2,865                     | 84                 |
| 1934..... | 12,627                    | 93                 | 9,765                     | 96                 | 2,862                     | 84                 |
| 1935..... | 12,733                    | 94                 | 9,855                     | 97                 | 2,878                     | 85                 |
| 1936..... | 12,331                    | 91                 | 9,350                     | 92                 | 2,981                     | 88                 |
| 1937..... | 11,978                    | 88                 | 9,054                     | 89                 | 2,924                     | 86                 |
| 1938..... | 11,622                    | 86                 | 8,815                     | 87                 | 2,807                     | 83                 |
| 1939..... | 11,333                    | 84                 | 8,611                     | 85                 | 2,727                     | 80                 |
| 1940..... | 10,979                    | 81                 | 8,300                     | 82                 | 2,679                     | 79                 |
| 1941..... | 10,669                    | 79                 | 8,017                     | 79                 | 2,652                     | 78                 |
| 1942..... | 10,504                    | 77                 | 7,949                     | 78                 | 2,555                     | 75                 |
| 1943..... | 10,446                    | 77                 | 8,010                     | 79                 | 2,436                     | 72                 |
| 1944..... | 10,219                    | 75                 | 7,988                     | 79                 | 2,231                     | 66                 |
| 1945..... | 10,000                    | 74                 | 7,881                     | 78                 | 2,119                     | 62                 |
| 1946..... | 10,295                    | 76                 | 8,106                     | 80                 | 2,189                     | 64                 |
| 1947..... | 10,382                    | 77                 | 8,115                     | 80                 | 2,267                     | 67                 |
| 1948..... | 10,363                    | 76                 | 8,026                     | 79                 | 2,337                     | 69                 |
| 1949..... | 9,964                     | 73                 | 7,712                     | 76                 | 2,252                     | 66                 |
| 1950..... | 9,342                     | 69                 | 7,252                     | 71                 | 2,090                     | 61                 |
| 1951..... | 8,985                     | 66                 | 6,997                     | 69                 | 1,988                     | 58                 |
| 1952..... | 8,669                     | 64                 | 6,748                     | 66                 | 1,921                     | 57                 |
| 1953..... | 8,580                     | 63                 | 6,645                     | 65                 | 1,935                     | 57                 |
| 1954..... | 8,451                     | 62                 | 6,521                     | 64                 | 1,930                     | 57                 |
| 1955..... | 8,237                     | 61                 | 6,341                     | 62                 | 1,896                     | 56                 |

Source: U. S. Department of Agriculture, Agricultural Marketing Service.











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued March 7, 1956  
For actions of March 6, 1956  
84th-2nd, No. 39

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HIGHLIGHTS; Senate continued debate on farm bill. Senate passed bill to relieve farmers from excise tax on gasoline. Sen. Humphrey criticized activities of public relations firm relative to this Department. Senate committee reported Treasury-Post Office appropriation bill. House commenced debate on independent offices appropriation bill. Rep. Curtis, Mo., introduced and discussed bill for taxation of co-operatives.

## HOUSE

1. APPROPRIATIONS. Commenced debate on H. R. 9739, the independent offices appropriation bill for 1957. Amendments tentatively adopted included an increase of \$5,386,030 for the FCDA disaster relief funds and a deletion of language authorizing eleven supergrade positions in GSA. pp. 3581, 3582
2. BANKING AND CURRENCY. Rep. Patman criticized the undemocratic character of certain aspects of the open-market committee of the Federal Reserve System and inserted the text of his address to the Women's National Democratic Club urging the reconsideration and reorganization of the system. p. 3614
3. DEFENSE PRODUCTION. Both Houses received from the Office of Defense Mobilization a draft of legislation "to extend the Defense Production Act of 1950"; to the Banking and Currency Committees. pp. 3488, 3618
4. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1194, to provide for the construction of the Red Willow Dam, Nebr., by the Interior Department, and construction of Wilson Dam, Kans., by the Army Engineers (H. Rept. 1849). p. 3618
5. MONOPOLIES. The Judiciary Committee ordered reported with amendment H. R. 9424, to amend the Clayton Act by requiring prior notification of certain corporate mergers. p. D202



# SENATE

6. FARM PROGRAM. Continued debate on S. 3183, the farm bill. pp. 3498, 3509, 3542  
Sens. Chavez (for himself and Sen. Kerr), Young (for himself and Sens. Mundt, Carlson, Barrett, and Curtis), Ellender, Barrett (for himself and several other Senators), Hickenlooper (for himself and several other Senators), and Holland submitted amendments intended to be proposed to the bill. p. 3497  
Sen. Langer inserted a Farmers' Union resolution opposing any reduction in wheat acreage and favoring 100 percent of parity for family farms, limiting all types of farm program payments to \$5,000 and an increase in personal income tax exemptions to \$1,000. p. 3489
7. FARM TAXES. Passed with Committee amendments H. R. 8780, to relieve farmers from excise taxes on gasoline and special fuels used on the farm. p. 3504
8. INFORMATION. Sen. Humphrey criticized the activities of a public relations firm relative to this Department, and inserted a letter received from the firm and an article on the matter. p. 3540  
The Foreign Relations Committee ordered reported with amendments S. 3116, International Cultural Exchange and Fair Trade Participation Act of 1956. p. D200
9. DISASTER INSURANCE. Received a concurrent resolution from the S. Car. Legislature urging enactment of legislation authorizing a flood-insurance program. p. 3489
10. PARITY. Sen. Langer inserted a Local Farmers Union letter favoring 90 percent parity payments. p. 3490
11. WOOL. Sen. Young inserted several resolutions of the N. Dak. Cooperative Wool Marketing Assoc. opposing further freight rate increases, continuance of program to liquidate wool stocks, continuance of 6 percent duty on wool tops from Uruguay, and opposing attempts to reduce tariffs on imported wool and woollen products. p. 3490
12. FORESTRY. Sen. Humphrey inserted a letter received from a Rod and Gun Club favoring the preservation of the wilderness area of Superior National Forest. p. 3491
13. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 9064, the Treasury-Post Office appropriation bill, 1957 (S. Rept. 1624). p. 3492
14. PERSONNEL; PENALTY MAIL. Sen. Byrd submitted the report of the Jt. Committee on Reduction of Non-essential Federal Expenditures on Federal employment and pay for the month of January, and inserted several tables and a statement concerning the report. p. 3492  
The Post Office and Civil Service Committee ordered reported without amendment the following bills:  
H. R. 5856, to repeal requirements for department heads to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of the fiscal year;  
S. 3237, providing for continuation of life-insurance coverage under the Federal Employees' Group Life Insurance Act of 1954 in the case of employees receiving benefits under the Federal Employees' Compensation Act;  
S. 3315, to amend section 5 of the Civil Service Retirement Act of 1950 regarding death benefits; and  
S. 1871, to amend the act to reimburse the Post Office Department for the transmission of official Government mail matter. D200  
The Committee ordered reported with amendment S. 1542, to authorize an allowance for civilian officers and employees of the Government who are notaries public. D200



lying purpose will remain unimpaired by this amendment. It will permit, however, taking advantage of the interrelationship to seek a lower cost or a more efficient service.

#### REPORT ON DATA AVAILABLE ON REQUIREMENTS FOR REPAIR OF ATOMIC POWERED SHIPS

Mr. BEALL. Mr. President, in the midst of all the glamour and fanfare which surround current plans for the construction of atomic-powered ships, we must not forget that any nuclear fleet of the future will be only as good as our ability to keep it sailing.

That means that our repair yards must plan now, even as our shipyards are doing, for the day when naval and private vessels will ply the seas under atomic power.

When nuclear ships start slipping down the ways, the ports of this Nation must be ready to service them.

New facilities and trained personnel will be needed. They cannot be obtained overnight.

Therefore, it is essential that the maritime repair yards keep pace with the builders.

To help them do so, I introduced a joint resolution on February 23 calling for a survey of ports to see which ones will be able to handle the repair and maintenance of atomic-powered vessels.

I will admit that I felt a more-than-usual interest in the proposed legislation because of my personal connection with the great port of Baltimore, and I was additionally gratified when other farsighted cities—such as the port of Beaumont, Tex.—immediately expressed their approval of the measure.

I am introducing today a joint resolution, which is a companion piece to the other measure.

I realize fully that the Government and private industry are each preparing men for work on atomic ships, but it seems that such training could be coordinated more closely to the benefit of all concerned.

Consequently, I prepared this joint resolution in an effort to have a public report prepared on the repair facilities, personnel requirements and safety and health provisions which will have to be considered in revamping our shipyards.

The report would be made by the Secretary of the Navy, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Army, and the Chairman of the Atomic Energy Commission, and would be available to any private concerns interested in the subject.

Such a comprehensive study, I believe, would bring private industry up to date on what the Government anticipates for the future and would save much of the uncertainty and confusion which might possibly result otherwise from initial efforts in this relatively new field.

I introduce the joint resolution, and ask for its appropriate reference.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 154) to provide for a report to the Congress

suitable for distribution to interested private organizations of data presently available on the requirements for the repair of atomic-powered ships, introduced by Mr. BEALL, was received, read twice by its title, and referred to the Joint Committee on Atomic Energy.

#### AMENDMENT OF SENATE RESOLUTION 219, RELATING TO INVESTIGATION OF CAMPAIGN EXPENDITURES, ETC.

Mr. McNAMARA. Mr. President, I submit, for appropriate reference, a resolution to amend Senate Resolution 219, agreed to by the Senate on February 22, 1956, creating a special committee to investigate campaign expenditures, lobbying, and other matters.

I voted for that resolution, Mr. President. But I had a few reservations when I did so, and I have even more now.

My amendment would change section 2 of the resolution to provide that the special committee, now composed of 8 members—4 each from the majority and minority parties of the Senate—be changed to provide for 9 members, of whom 5 would be majority members. I am not proposing that the present membership of the committee be changed; merely that an additional member be selected from the majority party.

I thought this provision—giving the majority of members to the majority party—should be in the resolution from the start. But I deferred to the wishes of the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON] when he spoke of "the rigid standards of fair play which we should apply to an incident that concerned the entire membership of the Senate." That was a nice theory, Mr. President, but that was all—only a theory.

I shall not dwell on the present membership of the special committee, except to say that I am afraid that this committee may stretch itself too far and waste its time investigating the 'phone-book listings and some organizations which obviously have no money even for postage.

The junior Senator from South Dakota [Mr. CASE], who startled some of my colleagues out of their lethargy with his disclosure of high-handed lobbying on the natural gas bill, brought up a situation which should be investigated to the core. I agree that other pressure groups may be found to be as bad as, if not worse than, the gas and oil lobby. But I do not want to see any member of this committee throw away the taxpayers' money and time by urging the committee to investigate his pet lobbying peeve. I am not accusing any member of the committee of attempting to steer the investigation away from its original purpose, but there is danger of this happening if the committee goes off chasing will o' the wisps.

But aside from this aspect, Mr. President, my amendment is designed to cure a more basic fault of this committee structure. The distinguished majority leader stressed fair play in having equal representation from the majority and minority parties and from those who

voted for and those who voted against the natural gas bill.

While his emphasis on fair play is laudable, he overlooked, I am afraid, the responsibility and authority that rest with him and the other members of the majority party.

When the voters of this Nation saw fit, in 1954, to make the Democratic Party the majority party, they gave the Democratic Party the authority and responsibility for all actions taken by Congress. Thus, the Democratic Party must answer to the people for the actions of Congress; and no amount of giving equal representation to the minority party will result in equal responsibility for this committee's actions in the long run.

From the very first meeting of the special committee, according to reports, it was plunged into discord over the chairmanship, committee counsel, and other matters of procedure. If there is discord on these relatively minor matters, Mr. President, what will happen when the committee starts to dig into lobbying—if it ever does? This is a penalty of the majority leader's fair-play theory. In dividing this committee equally, he has, in effect, given each member equal authority. What we have is eight chairmen, it seems.

I say this, Mr. President: The Democratic Party is responsible for this Congress. My amendment gives to the Democratic Party—as the majority party—that responsibility and authority in this investigation.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 225) was received and referred to the Committee on Rules and Administration, as follows:

*Resolved*, That section 2 (a) of Senate Resolution 219, agreed to on February 22, 1956, to investigate campaign expenditures, lobbying, and certain other activities affecting the Senate or any Member thereof, be, and it is hereby, amended to read as follows:

"Sec. 2. (a) The special committee shall consist of 9 members to be appointed by the Vice President, 5 from the majority Members of the Senate and 4 from the minority Members of the Senate, and shall, at a meeting to be called by the Vice President, select a chairman and a vice chairman."

#### AGRICULTURAL ACT OF 1956—AMENDMENTS

Mr. CHAVEZ submitted an amendment, intended to be proposed by him, to the bill (S. 3183) to provide an improved farm program, which was ordered to lie on the table and to be printed.

Mr. CHAVEZ (for himself and Mr. KERR) submitted amendments, intended to be proposed by them, jointly, to Senate bill 3183, *supra*, which were ordered to lie on the table and to be printed.

Mr. YOUNG (for himself, Mr. MUNDT, Mr. CARLSON, Mr. BARRETT, and Mr. CURTIS) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3183, *supra*, which was ordered to lie on the table and to be printed.

Mr. ELLENDER submitted an amendment, intended to be proposed by him, to Senate bill 3183, *supra*, which was



ordered to lie on the table and to be printed.

Mr. BARRETT (for himself, Mr. O'MAHONEY, Mr. ALLOTT, Mr. BENNETT, Mr. BIBLE, Mr. CASE of South Dakota, Mr. CURTIS, Mr. DANIEL, Mr. DWORSHAK, Mr. GOLDWATER, Mr. HRUSKA, Mr. KUCHEL, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MURRAY, Mr. WATKINS, and Mr. WELKER) submitted amendments, intended to be proposed by them, jointly, to Senate bill 3183, *supra*, which were ordered to lie on the table and to be printed.

Mr. HICKENLOOPER (for himself, Mr. AIKEN, Mr. MARTIN of Iowa, Mr. DIRKSEN, Mr. JENNER, and Mr. CAPEHART) submitted amendments, intended to be proposed by them, jointly, to Senate bill 3183, *supra*, which were ordered to lie on the table and to be printed.

Mr. HOLLAND submitted an amendment, intended to be proposed by him, to Senate bill 3183, *supra*, which was ordered to lie on the table and to be printed.

#### AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. MAGNUSON submitted amendments, intended to be proposed by him, to the amendment (designated as 2-24-56—H) intended to be proposed by Mr. LONG (for himself and other Senators) to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

#### EMERGENCY FLOOD PROTECTION PROJECTS IN CERTAIN AREAS—ADDITIONAL COSPONSOR OF BILL

Mr. KERR. Mr. President, I ask unanimous consent that when the bill (S. 3273) to provide authorization for emergency flood-protection projects in areas of the United States where such projects are needed for the protection of life and property, is next printed, I may be included as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### REVISION OF FEDERAL ELECTION LAWS—ADDITIONAL COSPONSORS OF BILL

Mr. ELLENDER. Mr. President, I ask unanimous consent that the names of the Senator from Wyoming [Mr. BARRETT], the Senator from Nebraska [Mr. HRUSKA], the Senator from North Dakota [Mr. YOUNG], and the Senator from Tennessee [Mr. KEFAUVER] be added as cosponsors of Senate bill 3308, proposing amendments to the Federal election laws, the next time it is printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. DIRKSEN:

Statement prepared by him relating to the stake of southern Illinois in legislation for depressed areas.

By Mr. BRIDGES:

Article and editorials commenting on the health of the President, from the U. S. News & World Report; the Manchester Union Leader, of Manchester, N. H.; and the Wall Street Journal.

By Mr. SCHOEPEL:

Article entitled "Economics and Finance—The Farm Problem in Politics," written by Edward H. Collins, and published in the New York Times of March 5, 1956.

By Mr. LEHMAN:

Article including letter by Luke F. Sharon on the subject of Niagara Falls power, published in the Arcade (N. Y.) Herald of February 16, 1956.

By Mr. KUCHEL:

Article by Joseph S. Scott on the subject What Lent Means to Me.

By Mr. NEUBERGER:

Letter addressed to the Washington Post and Times Herald, written by the Honorable EDITH S. GREEN, a Representative in Congress from the State of Oregon, with reference to the Al Sarena case.

Article entitled "Are We Losing Our Family-Size Farms?" published in the Oregon Farmer of February 16, 1956.

#### AGRICULTURAL ACT, 1956—STATEMENT BY SENATOR PAYNE

Mr. PAYNE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared with regard to the bill presently under consideration by the Senate, S. 3183.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR PAYNE ON THE REFORESTATION PROVISIONS OF S. 3183, THE FARM BILL

The debate on S. 3183 so far has been primarily concerned, and justifiably so, with the central provisions of the bill which will have such an enormous effect on the future of United States agriculture. I feel that it is appropriate at this time to point out that there is a section of the forestry provisions of S. 3183 which is of particular merit and worthy of special comment.

This section is of particular interest to me because the Maine woodpulp and forest-products industries are the largest industries in our State. They employ nearly one-third of all the people engaged in manufacturing industries. The forests which supply these industries cover 85 percent of Maine's land area. The wood-using industries are the biggest customers of Maine's freight carriers. Pulp and paper mills are located in 24 Maine towns and 350 Maine communities have some form of wood-using industry. Veneers, lumber, plywood, and building board produced in Maine supply an important part of the raw materials used by more than 2 million people engaged in the building and construction trades throughout the United States. Maine's newsprint accounts for 60 percent of the Nation's entire production. Maine forests supply material for everything from napkins to deepwater ships. The importance of Maine's forests to the State and to the Nation cannot be overemphasized. Nor

can the importance of preserving forest lands and providing a continuing supply of timber, not only in Maine but throughout the Nation, be stressed too strongly.

According to a recent report published by the Forestry Service of the Department of Agriculture, the Nation's timber requirements are expected to be so high by the year 2000 that timber growth will have to be from 70 to 120 percent higher than it is now. However, current rates of progress indicate that there will be a definite imbalance between cut and growth of timber resources by the end of the century. Although there is every evidence for encouragement, particularly in the reforestation of commercial timber holdings and on public lands, the future of our timber resources rests primarily on the supplies which can be provided by small private holdings. Well over half of the Nation's timber resources are in the form of farm and other private ownerships and 85 percent of these holdings are of less than 100 acres. It is this area of small private holdings where reforestation is decidedly lagging.

What is the future of these small holdings? What can be done to insure an adequate reforestation program which will encourage planting on these small holdings?

Before I attempt to answer these questions, let me describe what is happening to the small timber holdings in Maine. Most of these small holdings are in the form of a few acres of woodlands on small farms. In recent years there has been a steady decline in the number of farms in Maine. This has not meant, as it has in some other areas, that the small farms are being absorbed by larger units. On the contrary, it has meant that many of the small farms are now idle.

In 1954, there were 7,000 less farms in Maine than there had been in 1950. Some of these farms were, of course, absorbed. The average size of farms increased from 137.7 acres to 154.7 acres in the same period. But the total number of farm acres declined by approximately 500,000 acres which represents a drop of about 12 percent. What is happening to this land which has been removed from agriculture? It is for the most part idle land. The fields are not cultivated and, more significant, the woodlands on these holdings are not being reforested, although cutting continues.

With this situation in Maine as a background, let us now consider what kind of a program is needed to insure adequate reforestation on these small holdings which constitute over half of the Nation's timber resources. In the legislation now before us, there is the modest beginning of a program which will move in the direction of a solution of the small landowner's reforestation problems.

Section 601 is designed to broaden the scope of Federal participation in the reforestation program. The primary basis of the program would still be one of close cooperation between the States and the Federal Government. In the past the Federal Government has contributed to the cost of purchasing planting stock. Through contributions to the State governments for the purchase of trees, the planting stock can be sold to individual planters at reduced cost. There is no doubt that this financial assistance has been of great value in encouraging individual farmers and landowners to plant their idle lands in forests and to reforest depleted woodlands.

In the fiscal year 1955, according to a report published by the Department of Agriculture Forestry Service, 812,588 acres were planted in trees in the United States. This acreage figure represents all the planting done on Federal lands, non-Federal public lands, and private lands and includes all wind-barrier and reforestation planting.



For the most part the program which the Federal Government has undertaken in the past has been successful. Recently, the program has been hampered by a shortage in the supply of planting stock. The production of planting stock is a long-term proposition and it has been traditionally difficult for the Forest Service or the State nurseries to estimate what supply will be needed in the future. The Forest Service is aware of this problem and is making every effort to insure future supplies of planting stock equal to the increasing demand.

One persistent problem which has discouraged many small farmers and landowners from participating in the tree-planting programs is the cost of planting. Tree planting even on a small scale requires a great deal of labor. The holder of a relatively small piece of land ordinarily operates that land alone. To plant, say, 5 acres of his land in seedlings is a time-consuming and back-breaking task beyond the capability of one man who is engaged in the full-time job of farming or is employed off the farm. To hire extra labor to plant the 5 acres is beyond his financial means. As a result he is able to participate in the program only to the extent that he can physically plant trees himself.

This is largely the problem in Maine. In the year 1955, only 713 acres of privately owned land were planted in trees. The Federal Government has very generously aided the State of Maine with its reforestation program. But where the need is the greatest, existing legislation has not empowered the Federal Government to help. The State of Maine cannot undertake the vigorous and extensive reforestation program which it would like to, unless it can help the individual planters in the actual work of planting. To date, this kind of aid has been beyond the financial capacity of the State government. On a shared-cost basis, it would be feasible for Maine to expand its reforestation program so that it would provide the kind of planting Maine needs on its small farms and semi-idle privately owned lands. This would undoubtedly be true in other States also.

Under the terms of paragraph (c) of section 601, the Department of Agriculture would be authorized to give financial, advisory, and technical assistance to the States in carrying out their reforestation programs. Previously, financial aid had been in the form of contributions for purchase of planting stocks. Under the extension of the Department of Agriculture's participation in the State's programs, the Department of Agriculture would be authorized to give assistance, both financial and technical, to the actual process of planting the trees. And it is this type of aid which will insure a reforestation program adequate to meet the ever-increasing demands upon our forests.

In an age when there are increasing demands being placed on all our natural resources and particularly on our timber supply, it is essential that we do everything we can to insure the preservation and conservation of our resources for the continued growth and expansion of our national economy.

I wish to take this opportunity to commend the Committee on Agriculture and Forestry for including section 601 in S. 3183. This expanded cooperative Federal-State reforestation program has my wholehearted support.

#### ADDRESS BY GENERAL RIDGWAY AT DEDICATION OF VIRGINIA WAR MEMORIAL

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an exceedingly fine address delivered by Gen. Matthew B. Ridgway on the occasion of the dedi-

cation of the Virginia War Memorial at Richmond, Va., on February 29, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### ADDRESS BY GEN. MATTHEW B. RIDGWAY

Governor Stanley, Senator Wicker, distinguished representative of allied nations, of our Federal Government and of the Commonwealth of Virginia, fellow Virginians, no greater honor could be accorded any man than that of being a participant in these memorial ceremonies today. I stand here before you on this occasion in great humbleness of soul.

Each thing we do in the present has its causes in the past, its effects in the future. Our every important act today links up the deeds of years gone by with the action of other years ahead. So this dedication tonight has its origins in the past history of this region and of the people it cradled, in the historical record of their achievements and in the principles and faith by which they lived.

In the richness of that history, in the annals of the people of this region, there is a wealth of heritage second to that of no other part of our land. This abundance of historical precedents has here generated a profound feeling of esteem and honor for valor, wisdom, skill, and, above all, for integrity.

From one single section of this Commonwealth, from the Potomac to the James, sprang many of the giants of our Revolutionary period. They and their forebears had been major participants for 175 formative years of the colonial period preceding our birth as an independent Nation. They had been instrumentalities in a great political laboratory. They served as agents for crystallizing and utilizing effectively the political and social wisdom patiently gathered by their ancestors. They exercised a dominant influence in recognizing and defining, and then in insuring that other men recognized, the fundamental truths and rules later to be embodied in our Federal Constitution.

But they did more than this. They gave form and substance to certain concepts of personal conduct, of duty and accountability to the state, and of civic and social responsibility. They codified these concepts, and the code became the hallmark of the society they created, the spiritual backing behind the bond these people underwrote. They were characterized by a high sense of personal honor, a sacred conception of responsibility to the community, an ingrained instinct of obligation guided by reason—all these derived from their primary faith in God and their supreme trust in Divine Providence.

The list of their names is long and even better known to you than to me. In the tribute we wish to render tonight to those in whose memory we meet, the naming of many others could but detract, even though slightly, from the homage which is rightfully theirs. So in these brief remarks, the names of only two will appear. Those two, however, have imperishable laurels, and their contributions to the objectives we sought and still seek are unsurpassed, and I believe unequalled. The standard of duty, the measure of individual responsibility to others, was expressed in Washington's words, "Though I prize the good opinion of my fellow citizens, I would not seek to retain popularity at the expense of one social or moral duty." Duty was never more forthrightly identified as entirely distinct from all aspects of self-interest.

These references to history help us span the long gap from our rich past in Virginia, through the present, to our future in the Nation. They help us to understand, and by understanding, to convey more fully to all present-day citizens, the traditions we hope to pass on to those into whose hands the future of our people will be entrusted. They

bring us through the many generations from pre-Revolutionary times up to the impressive activities of this afternoon at the Virginia War Memorial on the banks of the James in this city.

There, in a simple ceremony of reverent remembrance, was begun an act of solemn dedication which here tonight we seek to consummate.

The torch of liberty was lighted. The flame of the eternal light was kindled. The names of 10,342 Virginians who gave their lives in World War II and Korea were unveiled. Mementos were deposited for permanent preservation from the farflung "battlefields and battleseas hallowed by their blood." Now we meet to dedicate formally the Shrine of Memory which the people of the Commonwealth of Virginia have grandly conceived and proudly erected.

While the edifice is built of cold marble, warm spirit diffuses throughout the whole structure. The torch, the flame, the memories which the names now engraved on that marble evoke, are manifestations of that zeal, of that courage of heart, that nobility of soul and fearlessness of mind, that willingness to sacrifice self in the service of others, which the entire memorial itself so eloquently expresses.

The most enduring things in man's life are not the material, but the spiritual. The values of the material ultimately fade. The values of the spiritual remain, unchanged and unchanging. They are the values by which generations of Virginians tested the principles on which our Nation was built, our liberty secured, our Federal Constitution made the basic law of the land. They are the values which in our evolving society have made our people ever ready in great crisis to sacrifice their material possessions, and even their very lives. They are the values symbolized by what we saw and deeply felt this afternoon at the memorial itself—the torch of liberty, the flame of memory, and the inspiration they engendered in our hearts and minds. This, I think, is what another of Virginia's great leaders, Thomas Jefferson, had in mind when he wrote:

"I shall not die without the hope that light and liberty are on a steady advance \* \* \* the flames kindled on the 4th of July 1776 have spread over too much of the globe to be extinguished."

This same flame, this same light, which Jefferson felt would never be extinguished, was made to burn brighter this afternoon. It symbolizes by its warmth and light the lives of those whose names the marble bears. It is a consecrating expression of homage to all those noble women who courageously shared in the sacrifices made by their husbands, sons, and brothers. It is fittingly represented by that beautiful monument to memory—dedicated to Virginia womanhood—inspiration of Virginia manhood.

There seems to me to be some special significance in the warmth and comfort of the surroundings we here enjoy. They do indeed betoken our protected and contented life, abundantly rich in material blessings on a bit of God's earth, which many other persons in other lands, likewise formed in His image, do not enjoy. This warmth and this comfort contrast in human values with the chronic shortage of the basic necessities of life—food, clothing, shelter—the chronic lack of medical attention for the body, and of spiritual solicitude for the soul, which so many other peoples have to endure.

In one way, it would have been better had we been out there this evening under God's open sky, as were so many of those we memorialize when they made their sacrifices for us; in one way, it would have been better had we been there in lashing rain, or in dark and zero weather than here in this warm, well-lighted hall. But there were sound reasons why we met here; and in any event it signifies little if the meeting re-



minds us of the discipline so necessary to us all, lest we forget the things which really count and cling to those which do not matter.

Today we harvest the fruits these honored men planted, we enjoy them in an abundance beyond their powers to imagine. But in life there is a responsibility coequal with every privilege, and, great as is our privilege today, our responsibility is no less. Let us remember that it requires discipline to bear responsibility.

We are living in a historical era—one of the greatest, I think, through which mankind has passed in modern times. We do not know when or how it will end and a new one begin. We do not know what will characterize the new, but we certainly do know, unless we willfully close our minds, the essential nature of the era in which we live. We do know we face an implacably hostile, secret and murderous conspiracy that has but one basic objective—to snuff out the light of liberty, to extinguish the flame of freedom. We do know that we have a responsibility to stand ready with all our strength to keep that "torch of liberty" before every American eye, the love of freedom aflame in every American heart. The imperative, ceaseless need for such readiness could not be more appropriately indicated than by the motto, "Sic Semper Tyrannis," on the Virginia State seal.

Let us now and in the future draw on the great reservoir of faith in God, which is America's greatest strength. Let us keep alive the knowledge of the proud traditions of this Commonwealth; let us, and all who follow us, catch through the stately beauty of this magnificent memorial the warm and living spirit of those whose passing brought it forth. Then, in reverent and humble pride, we shall have dedicated this shrine in the sublime spirit and for the lofty purpose for which it was conceived—an enduring stimulus to all that is finest in human nature in the lives of succeeding Virginians and Americans.

May God grant we succeed.

#### PROBLEMS CONFRONTING THE BUILDING AND CONSTRUCTION INDUSTRY

Mr. KUCHEL. Mr. President, yesterday I had the honor to be invited to speak before the second annual legislative conference, building and construction trades department, AFL-CIO, at the Sheraton Park Hotel, in Washington, D. C. I ask unanimous consent that the text of my remarks on that occasion be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR KUCHEL, SECOND ANNUAL LEGISLATIVE CONFERENCE, BUILDING AND CONSTRUCTION TRADES DEPARTMENT, AFL-CIO, MARCH 5, 1956

Mr. President and gentlemen, I am honored by your wish that I speak with you on this occasion.

You are meeting here today to consider the special and serious problems which confront your great industry—the construction industry—and your strong and stable unions which supply the lifeblood of labor to it. It is no exaggeration to say that you are the heart of an industry which sustains the economic sinews, and promotes the continuing prosperity and economic good of our entire country.

Yet, while we are gathered here to consider these important industrial matters of domestic concern, I cannot resist the desire to lift up our eyes and hearts to the broad problems facing our Nation both at home and throughout the world. History has thrust

upon us the role of leadership in the free world today. Prosperity has favored us at home. Our strength—our great natural resources—our talent for production—our unparalleled living standards have all prepared us to bear with greater ease the burdens of international responsibilities.

These responsibilities, of course, spring from an enlightened self-interest—the best kind of selfishness. They flow from a natural desire to retain for ourselves and our posterity the great bounty with which we and our institutions have been blessed. For example, I firmly believe that the protection and advancement of our own way of life will ultimately depend upon the success of other nations in attaining and preserving economic and political freedom for their own citizens, as well.

I speak as an American, grateful for what free America has given to each of us, and thoroughly dedicated to do what I can to preserve it for all time. It is a unique era through which we are passing and, indeed, a unique one which we are about to enter. This is an era of new energy—unbelievable energy—which leads us into the thermonuclear age. Unhappily, the secrets of it, for good or for evil, are known to free nations and Communist nations alike. These secrets may be used to bring mankind to an almost undreamed of state of happiness and abundance, or, to the contrary, they can obliterate mankind and the whole globe.

It is the responsibility of this country to work for a just and an enduring peace, and, in the process, to deter aggression and, if necessary, to combat it. This is not, and cannot be, a matter of partisanship or politics. It must ever be an American concern of all American people with, as I say, an enlightened self-interest.

In the discharge of that responsibility, America must continue working, in good comradeship, with freedom-loving nations everywhere. Standing together, the free world will constitute the strongest kind of a deterrent to aggression. Communist or otherwise. Mutual security and mutual assistance are an indispensable part of American policy. And while I believe they will be carried on under any national administration, they deserve and require the patient and zealous support of our people. As leading citizens in your own community, you have the highest duty of accepting the sober facts of these eventful days through which we pass, and, having accepted them, of supporting our efforts toward international peace—above politics, above partisanship, as citizens and patriots, with the interests of our own beloved America close to our hearts.

My own efforts will constantly be directed toward these very international goals which I have outlined to you. Our continuing greatness as a nation depends upon reaching these goals. History has taught us that we cannot stand still. We will improve and prosper as a nation and as individuals or we will falter and fall back. Certainly, mature and effective acceptance of the role of international leadership will be a key to our own prosperity under freedom in the years which lie ahead.

Now to turn toward the problems at home—particularly the problems which face you as trade unionists—as the leaders of skilled craftsmen and seasoned workers who are a bulwark of our Nation's economy. Not everyone realizes the tremendous size and economic influence of the construction industry. Last year the dollar amount of new construction put in place both public and private, residential and nonresidential, totaled more than \$42 billion. This is new construction. When we include alterations and repairs, the total volume of work is presently in the neighborhood of \$60 billion. On contract construction alone last year, more than 2½ million craftsmen and laborers were employed. Let's just stop and think for a minute about the meaning of these figures in

terms of production, of employment and payrolls, in the mines and mills, the shops and factories of the Nation. I won't burden you with figures—in fact no really accurate figures are available to demonstrate the immense impact of the construction industry upon the Nation's welfare. It is enough to say that prosperity or depression in the construction industry can make the difference between prosperity and depression for our national economy as a whole.

Particularly, however, as respects the areas in which you are facing problems today, let us take a look at construction aided or assisted by the Federal Government. In 1954 the Federal Government assisted some \$14 billion worth of new construction. During the past year, roughly the same amount was assisted by the same kind of Federal financing. In round figures, the Federal Government has recently followed a policy of supporting, aiding, or promoting at least a third of the total dollar volume of new construction put in place each year. Far from getting smaller, this tremendous volume of federally assisted construction promises to increase in the years to come.

I know you are well aware that the interstate highways of the country are out of date and that legislation now in the mill will provide billions of dollars for a new network of super highways and feeder roads to serve the peacetime and emergency transportation needs of a Nation which moves on wheels. I may say that as a member of the Senate Public Works Committee, I have done my vigorous best to push this much needed legislation.

I know you are aware of the fact that our school-age population has snowballed on us at a rate far exceeding the capacity of our school buildings. Right now our grade schools have burst at the seams. Tomorrow our high schools will follow the same route. Congress has before it recommendations of the President on this vital subject. We need to face up to that problem now.

Public works, hospitals, Government buildings, airports, and other necessary structures are being and will be built to expand or replace the structures and facilities of the past. Our new construction must ever keep in pace with the astounding growth and expansion of our needs as a Nation.

Due to these varied demands, not only does the future look bright for public and private construction but more than that: The Federal Government is going to have a very large place in the construction of the future, as it has in the recent past.

The role of the Federal Government in the construction industry carries with it a heavy burden of responsibility. Any person or agency promoting or assisting at least a third of all new construction put in place each year—year after year—has what amounts to a public duty to insure the use of this enormous economic power in the best interests of all segments of our economy. A false or misguided step here or there can help to undermine the very standards which have been an important part of our prosperity and growth.

Here is where the matter of prevailing wages comes in. In 1954 there were around 900,000 craftsmen employed on work assisted by the Federal Government. About the same number were employed last year. The payrolls on this work run annually into the billions of dollars. Now these dollars are not only put to work to provide the journeyman and his family with the necessities and some of the modest luxuries of life. They do much more than that. They help to buy the products of the farmer, the merchant and the manufacturer. They help these businessmen support their families and meet their payrolls and thus, in turn, to support even more workers in other lines of work and to meet their modest demands.

We can easily see the serious hidden effects that can follow any serious cut in wages on



as he has made an outstanding record as a Senator.

Mr. CARLSON. Mr. President, I should not like the opportunity to pass without saying a word in reference to the statement just made by the junior Senator from South Carolina [Mr. THURMOND]. I assume we on the majority side could well say that we would welcome having a Republican Senator from the State of South Carolina, but if such a hope cannot be realized, I sincerely trust the people of South Carolina, in their good judgment, will return to the Senate the present junior Senator from that State.

I had the privilege of serving as Governor of the State of Kansas while the distinguished junior Senator from South Carolina was Governor of the great State of South Carolina. It was a pleasure to work with him then. It has been a pleasure to be associated with him and to work with him as a Senator. He is not only an able Senator but has been an asset to his great State and to the United States of America.

Mr. THURMOND. Mr. President, I should like to take this opportunity to express my deep appreciation to the Senator from Virginia, the Senator from Arkansas, the junior Senator and the senior Senator from Mississippi, and the Senator from Kansas, for their kind remarks about my resignation. Again, I should like to say it has been a great pleasure to be a Member of the Senate with those gentlemen and the other Members of the Senate, and I shall greatly miss them.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 578. An act for the relief of Edmund Lowe and Richard Lowe; and

S. 1483. An act for the relief of Irfan Kavar.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7588) for the relief of Jane Edith Thomas.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 66) favoring the suspension of deportation in the cases of certain aliens.

#### AGRICULTURAL ACT OF 1956

Mr. ELLENDER. Mr. President, I now ask for the regular order.

The PRESIDING OFFICER. The regular order is the unfinished business.

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

#### I. INTRODUCTION

Mr. THYE. Mr. President, as we debate the various provisions of the farm bill reported from the Committee on Agriculture and Forestry, all of us must realize that we are dealing with a problem which has been before the Senate for many years. We are confronted with 2 primary problems as we seek to enact legislation which will be of benefit to the farmer and to the entire Nation. These 2 problems are: First, surpluses; and, second, declining farm prices. Senate bill 3183 deals with both problems.

For the past 3 years we have been engaged in a national debate over what measures or what action by the Federal Government should be taken to bring our agriculture economy into balance with the high prosperity enjoyed by the other segments of society. Unfortunately, the spotlight of debate has been placed primarily upon the issue of fixed price supports versus flexible price supports as the solution. During this time, I have maintained that neither type of price supports is the answer to our problem, which is how to arrange for the efficient disposal of the surpluses. I have consistently taken the position that an orderly and effective reduction and elimination of surplus products would have the effect of bringing the farmer full parity in the market place, and that if that happened the issue of fixed price supports versus flexible price supports would become academic.

On January 21, 1954, I addressed to the Secretary of Agriculture a letter in which I outlined my views. In the letter I said:

Our number one problem is to manage this surplus.

I also observed that—

Farmers will agree to put these acres into clover, alfalfa, or some type of legume crop that will be soil-building, bringing a higher fertility in the land that will give greater assurance of production in the future if the need arises. With the use of such soil-building practices, farmers would be prepared to take such surplus acres out of production entirely.

In other words, at that time, I recognized that a soil-bank plan was needed to reduce surpluses. It is regrettable that such a proposal was not written into law at that time. However, on January 9, 1956, the President sent his farm message to Congress, and came out in support of a soil bank and other provisions designated to cut down our surpluses. I am in whole-hearted support of this portion of the bill we are now considering. I also believe it is the first realistic approach to the surplus problem to come before the Senate for debate.

#### II. GROWTH OF SURPLUSES

Before going into a discussion of the soil bank, it might be well for us to review for a moment the factors which

caused the accumulation of the surplus products. Fourteen years ago our Nation found itself engaged in World War II. At that time we called upon business, labor, and agriculture for an all-out productive effort for the purpose of winning the war. All three segments of the economy responded beyond all expectations. Starting in 1946, we moved into a phase of international relations known as the cold war. During the period from 1946 to 1950, no major effort was made to launch a drastic cut in production. We were following a cautious path of preparedness. Then, in 1950, we were plunged into the Korean conflict. It lasted until 1953. During all those years we called upon agriculture and industry to produce at high levels. Various incentives were adopted to achieve this goal.

When the Korean war was terminated, there was an orderly and planned reduction along certain lines in industrial output. Defense production of needed items continued, but the manufacture of unnecessary or obsolete items was stopped. War-surplus goods were disposed of by sale, sometimes at a high cost to the Government. However, it had the effect of cutting down and eliminating unneeded inventories, and it enabled industry to readjust itself to present-day needs.

In agriculture, we did not employ the same type of approach. We allowed high agricultural production to continue. As a Nation, we were tilling too many acres. With the end of the Korean conflict, the need for agricultural products declined. As a result, we have now moved into a period where continued high production has given us an unmanageable surplus which has depressed the agriculture economy, and farm prices have declined. The price decline in agriculture has continued since 1952.

I look upon the soil-bank provisions and other surplus-disposal provisions as being of the type of the orderly and effective plans which we used in cutting down industrial inventories and surplus. Some may say we have tried these methods before, and that they have not done the job. That type of argument should not be applied to the discussion of the soil bank. It is true that previous attempts have been made to cut down on acreage production. However, under prior legislation, producers, when faced with restricted acreage on certain crops, were allowed to "shift" into the production of other crops, which aggravated, rather than reduced, the surpluses. That is the point of distinction which must be made when we consider the merits of the soil bank that is proposed in the pending bill.

#### III. SOIL BANK

Under the soil-bank provisions, we would have an acreage-reserve program for the years 1956, 1957, 1958, and 1959 on wheat, cotton, corn, rice, and tobacco. An annual appropriation of \$750 million is authorized to finance it. Under this plan, the producers would be compensated for reducing their acreage of these crops below their farm-acreage allotments under the support program. This plan provides that such reserve acreage



shall not be used for cropping or grazing, unless a national disaster requires such use. This means that acres diverted from these crops cannot be used for the production of competitive feed crops. This will serve to prohibit the "shifting" of production which in the past took place under different acreage-restriction proposals.

As an incentive to farmers to cooperate the plan provides that any farmer complying shall be compensated in negotiable certificates which can be redeemed in cash, grains, or cotton.

Another feature of the soil bank is the establishment of a conservation-reserve program with annual payments limited to a total appropriation of \$350 million. This will involve long-term contracts entered into for periods of not less than 3 years, during which time the farmer must agree to utilize the acreage under the program in soil, water, wildlife, and forest practices. This part of the program also requires that the Secretary of Agriculture announce, not later than February 1, of each year, a national conservation-reserve goal for that year.

This bill calls for a proposed schedule of payments under both sections of the soil bank, which will make farmer co-operation attractive.

#### IV. OTHER SURPLUS DISPOSAL PROVISIONS

Now let us proceed to a discussion of the other surplus disposal provisions in the pending bill.

The bill we are considering makes a further attack upon surpluses through the following measures:

First. We have authorized the Secretary of Agriculture to add an additional 250 million bushels of corn to be set aside.

Second. We have directed the Commodity Credit Corporation to move to encourage sales of export cotton and restore to the United States its historical share of the world cotton market.

Third. We have asked the Secretary of Agriculture to provide incentives to insure domestic use of a minimum of 30,000 bales annually of extra long staple cotton.

Fourth. We have asked the Secretary to give this Congress a detailed program for the disposition of surplus commodities within 60 days after the passage of the bill.

Fifth. We have authorized the appropriation annually, beginning in 1957, of \$250 million to supplement section 32 funds.

Sixth. To encourage disposal of surpluses abroad we have eliminated the requirement that 50 percent of commodities so sold must move in American bottoms.

Seventh. To provide the Secretary with the expert help he needs in carrying out this program, we have authorized him to appoint a surplus disposal administrator at a salary not exceeding \$15,000 annually.

Eighth. We have authorized the use of surplus commodities to barter or exchange for strategic materials abroad, with the stipulation that any materials so received be placed in the supplementary stockpile established under the

the Agricultural Trade, Development, and Assistance Act of 1954.

It should become apparent that all of these provisions, together with the authorities and powers already in hand, should afford the machinery necessary to dispose of surpluses.

#### V. TIME—A KEY FACTOR

The question has arisen as to how soon this machinery can become operative and effective in dealing with the surplus problem. Some say that the program will become effective almost immediately after the bill is passed and signed by the President. Others say that just the psychological effect will reflect an increase in farm prices. Still others say that it will take a year or perhaps 2 years before results will begin to show.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. YOUNG. The Senator will recall that when the Senate Committee on Agriculture and Forestry approved 90-percent supports, prices on the grain markets moved upward. They moved downward again when it was indicated, in a letter from the President to the Senator from Vermont [Mr. Aiken] that the bill would be vetoed. Certainly that is ample proof of the effect which a 90-percent price-support program would have on cash prices. Does the Senator recall any fluctuation in market prices when announcement was made of the soil-bank program?

Mr. THYE. There was no substantial fluctuation. First, the soil-bank features were not thoroughly understood. Secondly, no one could foresee when these provisions would be enacted and the program initiated. It must be borne in mind also that it will take time to acquaint the State committees with the provisions of the act, and, they, in turn, must inform their county committees in the respective States, and the county committees, which deal with their local township units, must acquaint the producer with what is required of him to qualify for contracting with the Government on his reduced acreage placed into the soil-bank program.

All these steps are necessary. However, some crops, such as winter wheat in Oregon and Washington and in the area extending down to Southwestern United States, have been planted already. Some of them were planted last fall. Now we are progressing toward spring. Some cotton has been planted in the South and in the Southwest.

All these factors are involved in the soil bank. I believe that the student of the agricultural question knows that the surpluses can be reduced by only a very slight percentage during this particular calendar year. Therefore, until there is a demonstration that a reduction in surpluses is being effected by the soil-bank program, the market will not necessarily reflect firmness.

Mr. YOUNG. Is it not generally agreed among those familiar with agricultural legislation that this program could have little or no effect on cash prices this year? It can have beneficial

results next year or the year after, but certainly it would have little or no effect on cash prices this year. Is that not correct?

Mr. THYE. The Senator is correct. That has been my concern. That was my concern in the committee. The Senator from North Dakota knows very well what was discussed in committee, because he was present at all the hearings. He is fully acquainted with all the studies respecting the type of legislation we were endeavoring to incorporate in the bill. We discussed the problems in committee. We knew that the soil bank proposal in the bill would not have an immediate effect in this calendar year. We knew that the so-called flexible version of price supports would be in effect this calendar year and what the Secretary had announced as the support prices on wheat and corn, as well as cotton. If we consider the crops normally grown in the northern region the Secretary's announcement means that wheat will be reduced 27 cents a bushel this calendar year, and corn will feel the effect of a reduction of 18 cents per bushel. Corn and wheat are two of the basic crops. We cannot reduce the supports on corn and wheat without the result being reflected in the prices of other feed grains, such as oats, barley, rye, and other grains normally grown in the Northwest.

Mr. YOUNG. Everyone knows that under the present price support program, support prices for corn, wheat, and other basic farm commodities would be reduced next year and the year after, under the modernized parity program.

Mr. THYE. Under the modernized parity formula they would be reduced. However, the psychological effect of reduced support prices on wheat and corn will be an adverse one on the prices of other feed grains. Most certainly the adverse effect on other feed grains would be immediate as soon as the full effect of the lowered supports on wheat and corn was felt when the 1956 crop went to the national markets. The producer, endeavoring to obtain a loan on his wheat crop would find that the support price was down by 27 cents. Cash prices in the market place would reflect a downward trend. So the entire farm economy would suffer the reduction in the support prices on wheat and corn.

Those of us who recognize this voted for a continuation of 90 percent supports for this calendar year and for the calendar year of 1957. Personally I thought we would be safe in voting for a continuation of the 90 percent mandatory supports for the basic crops for only the calendar year 1956. Then we could take a further look at 1957. With a good educational program in connection with the initiation and introduction of the soil bank program, we could hope that a firmness would be reflected in the general market situation of the Nation.

It is impossible now to predict with any degree of certainty the exact time when results from the soil-bank program will become apparent. I seriously doubt whether much progress will be made in the crop year of 1956. We know that winter wheat has already been planted in the Southwest and in the



West, as I have said already in my colloquy with the distinguished Senator from North Dakota [Mr. Young].

We also know that planting has been completed in some of the regions in the South. As I have previously mentioned, it should also be recognized that a certain period of time must be spent in educating the producers not only on the provisions of the bill, but the workability of the soil bank and other features of the program. Administrative details and regulations will also have to be written and set down by the Department of Agriculture. These factors must be reckoned with. Personally I feel that it will be well into the crop year of 1957 before concrete results will be forthcoming from this surplus-disposal program.

#### VI. DECLINING FARM PRICES

At this point we are faced with the second major problem which I mentioned before—that of declining farm prices. Farm prices have declined steadily since the calendar year 1951. In fact, since 1947 the farmers' net income has shrunk from \$17.2 billion to \$10.2 billion. This drop in net farm income has come at a time when the balance of our economy has been rising to new heights.

It is for this reason that the committee voted to restore higher price supports for the basic crops. This return to higher supports would serve two important purposes. It would immediately bolster the farm economy, and halt declining prices. It would also serve as a temporary or emergency measure to bridge the gap between now and when the soil bank and other surplus-disposal provisions become operative and effective.

I believe that such action is not only necessary at this time, but is mandatory if we are to maintain a sound and prosperous economy for all groups in our society.

We have heard Government officials, organized groups, and various individual citizens attack the restoration of higher supports on the grounds that it would be inconsistent with the soil bank and would destroy its effectiveness.

I do not agree with this line of reasoning. In the first place, the bill prevents a farmer who exceeds his acreage allotments from receiving payments under the soil-bank program. This, in effect, means that any farmer who qualified under the 90-percent support program would be qualified to participate in the soil-bank program. Farmers traditionally have been known to make the best use of all their land. Therefore, if they cooperate under the acreage restrictions of the price-support program, they will see the advantage in the soil-bank program and will use their excess acres for soil-building practices. History has shown us that farmers use the best soil and cropping practices when they are reasonably well off financially.

In the 1920's and 1930's they exploited their land in order to prevent foreclosure actions. Once they reached a certain degree of financial security in the forties they immediately began to install conservation and soil-building practices. In view of this it would seem logical to

assume that if the farmer were to receive higher prices for his products he would do a better job with the soil-bank program than he would do with declining prices.

It has also been charged that a temporary return to 90 percent during the readjustment period would be a blank check to farmers to go ahead and produce all they can in a guaranteed market supported by taxpayer's money.

I deny this charge. Anyone who has read this bill knows that is not true, because we have written safeguards against such a thing ever happening.

In the case of wheat, we would give 90-percent support only to millable varieties. The support level on inferior grades of wheat could go as low as 75 percent at the discretion of the Secretary of Agriculture.

In the case of cotton, by repealing the existing provision of the law which designates middling  $\frac{7}{8}$ -inch cotton as the standard grade, we have achieved a more realistic approach in determining the average grade and staple of cotton. The actual result will be slightly lower support prices than have existed under the present provision.

For rice we have specified 90-percent support for the years 1956 and 1957, but have provided for a two-price sale program.

To the Nation's dairy farmers we have extended the bill and called for a support range from 80 to 90 percent of parity and provided that the support level be based on a parity equivalent figured from the period of 1946 through 1949.

We have also asked the Secretary of Agriculture to make a thorough study to improve the entire parity formula and report back to Congress in 6 months.

Two important conclusions should be obvious from a reading of these and other provisions in the bill. First, precautions have been taken in advocating higher supports to guard against the destruction of the soil-bank and other surplus-disposal features. Second, that the return to 90-percent supports is an emergency or stopgap measure, and that we are not talking about 90-percent supports in the terms we previously used. We are dealing with refinements in the 90-percent supports and with specific application to particular crops and products. In addition, these provisions are established for only the calendar years 1956 and 1957.

#### VII. MISPLACED EMPHASIS

I stated in the beginning of my speech that I regretted two things:

First, that the entire farm problem had not been approached 2 years ago from the standpoint of disposing of surpluses, and,

Second, that we have all become involved in a debate over fixed versus flexible price supports.

I regret that this has happened because we have lost valuable time in arriving at a solution. I think it has become apparent to everyone that no one man or group has all the answers to the farm problem. I think it is also apparent that neither type of supports taken alone is an answer to this problem.

I tried to point this out in debate on the Senate floor in 1954. At that time I opposed provisions of a bill which would have given the Secretary of Agriculture the authority to reduce Government supports. I opposed it because it was not accompanied by the type of realistic legislation we have before us at this time. In 1954 the soil bank and other features of the present bill were flatly rejected by the Secretary of Agriculture. I cannot help but feel that if we had passed similar legislation in 1954 to what we are considering today, our farm economy would be on the way up today, not on the way down, as we have noted in the past year and as it was officially announced in a Department of Agriculture release today.

In my remarks to the Senate in 1954, I pointed out that the mere cutting of Government support prices and resulting reduction in farm income would not serve to reduce surpluses. I cited figures to prove that the opposite would occur—that when farm prices were down production would go up. This was borne out in the case of dairy supports which were dropped on April 1, 1954, from 90 percent to 75 percent. Since that time the production of milk has increased from 121 billion pounds to 124½ billion pounds. It is now estimated that it will go above the 125 billion pound mark during the current year.

We were also told in 1954 that a reduction in support prices would result in a drop in consumer prices. This has not happened. In fact the consuming public is now asking the question—why have not retail prices gone down during the period when support prices have gone down? It is a good question. The farmer in the year of 1947 received 54 cents of the consumer food dollar spent. The farmer now receives 38 cents.

The consumer has the right to ask what is happening when the farmer has suffered reduced prices on his commodities, and yet the consumer has not benefited. It is a question which requires very careful attention and study.

I have not been able to find an instance in all of history where lower support prices have served to reduce production. I bring this up in this discussion to illustrate again that we need something more than price supports—whether fixed or flexible—to solve the problem of surpluses. It is my firm conviction that the bill which we have before us gives us the added factors which will enable us to move ahead toward a solution and a more prosperous farm economy.

#### VIII. CONCLUSION

In summary, as I see it, we have before us a twofold problem:

First. Surpluses which must be reduced to manageable size in order for the farmer to receive full parity in the market place.

Second. Declining farm prices which have reached a serious stage and which demand immediate action.

I believe that the bill we are debating deals effectively with both phases of the question. One part would set in motion a sweeping program to reduce and elim-



inate surpluses. The other part would institute stopgap or emergency higher price supports. This would serve to halt declining prices and would hold prices stable until the other portion of the program has a chance to deal with the surpluses. The two-pronged attack is designed to solve a twofold problem. The provisions are not inconsistent but are intended and written to implement each other.

The problem we are attempting to solve by this legislation belongs to every thinking citizen in the United States. It is the problem of all farm groups and organizations. It is the problem of the administration and the Congress. It is the problem of the farmer, the laborer, and the businessman. It is of deep concern to the consuming public.

Because it is a problem which we all must live with, it calls for judgments based upon facts, understanding, and logic, not emotion, selfishness, or demagogery.

I, for one, can tell the American public that I am sincerely trying to solve a problem in a manner which will eventually find the American farmer joining with labor and business in an unprecedented peacetime prosperity.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I yield.

Mr. YOUNG. I have some rather startling figures which I received from the Department of Agriculture a few days ago. I find they estimate that the average income of farmers is less than 71 cents an hour. We wrote the minimum-wage law for labor last year, increasing the minimum from 75 cents an hour to \$1 an hour, and it became effective on March 1 of this year. It involves an increased income to labor of approximately \$560 million. Yet the farmers have an investment of approximately \$130 billion, and when we deduct from that the Federal land bank rate of 4 percent interest on the investment, we find that farmers earn only 71 cents an hour, on the average.

Mr. THYE. Mr. President, in reply to the statement of the distinguished Senator from North Dakota and the facts he has furnished the Senate, I would say on the minimum-wage question that probably not many jobs now pay less than a dollar an hour. Most wages are above the dollar minimum. Therefore, I think it was a sound and competent adjustment which we made in the wage scale. Be that as it may, the Senator's statement points up the difference between the farmer's economic condition and the economic condition of everyone else.

Our Nation has been blessed with good weather. We have had a high production of all agricultural commodities. We have advanced in agricultural techniques and know-how to a point where an individual acre produces more. Livestock production is greater than it has been normally. We have geared ourselves to a higher degree of production because of the needs during World War II. It is utterly impossible for the individual farmer now to cut production down materially by himself. It must be undertaken through a farm program.

That is what we are endeavoring here to do, but I am afraid we are a little late in our approach to the problem.

Mr. YOUNG. It is difficult to understand why the Secretary of Agriculture would be proposing a farm price-support program which he and everyone else knows will reduce farm income further at a time when the average wage that a farmer receives is only 71 cents an hour. It is inconceivable how that kind of a program could be proposed by the Secretary of Agriculture.

Mr. THYE. Many an argument has been advanced to the effect that the 90 percent support program was the principal factor which acted as an incentive to increase production of agricultural commodities. On the first examination of the question we might concur in that view; but in order to check my own thinking on the question I have undertaken to acquaint myself with some of the earlier discussions of farm problems and particularly the debates in Congress at the time the McNary-Haugen bills were being considered. This was during the years 1924, 1925, 1926, 1927, and 1928. The bill was passed in the spring of 1928, but was vetoed in May of that year. In reading the floor debates and the discussion which took place almost 30 years ago, I find that strikingly similar arguments were used then as they are being used in these recent weeks.

I have in my hand a statement which is part of President Coolidge's message to Congress on December 6, 1927. I shall read a few lines from that message:

The most effective means of dealing with surplus crops is to reduce the surplus acreage.

President Coolidge said that in 1927. He also said:

It cannot be sound for all the people to hire some of the people to produce a crop which neither the producer nor the rest of the people want.

Bear in mind that President Coolidge so advised Congress on December 6, 1927.

I read now from the veto message of President Coolidge on the McNary-Haugen bill:

The recurring problem of surpluses in farm products has long been the subject of deep concern to the entire Nation, and any economically sound, workable solution of it would command not only the approval but the profound gratitude of our people.

That was what President Coolidge said in his message vetoing the McNary-Haugen bill.

I have before me other statements taken from the debate on the floor of the Senate when the McNary-Haugen bill was being considered. What was said then is almost identical with what is being said today.

During the whole period when the McNary-Haugen proposals were under discussion, there were neither price supports, acreage allotments, acreage controls, nor any type of farm program on the statute books. In that earlier era, the farmer had responded to the needs of his Nation during World War I and had geared his production to an all-time high. Farm production was in excess of domestic needs and in excess of export possibilities. The fact that must be emphasized, however, is that surpluses

existed at that time without price supports. Today we have the same problem of surpluses and some persons have tried to place the responsibility on the farmer because of the price-support program. I disagree with that, because the facts and history do not bear out any such arguments or contentions.

Mr. YOUNG. Those who argue in that way totally ignore many important facts. One of them is that when the switch was made to mechanized farming, about 45 million acres of land were released for the production of food for human beings. That land had previously been used to produce feed for horses and mules. During the period of the 1920's and the 1930's, the senior Senator from Minnesota and the junior Senator from North Dakota were farmers.

Mr. THYE. And we were rather happy, at that, were we not?

Mr. YOUNG. Yes; and in bad shape financially as most farmers were. I think both of us will recall that exactly the same type of propaganda as is being used today against the 90-percent supports was being used at that time—almost word for word. In fact, I think some persons have gone back to the language used in that day and have just copied it. They have not used their own ingenuity to create a new version. They have used the same propaganda for 30 years.

Farm prices were a great issue in the 1920's and the 1930's. That factor later had a great effect upon the national elections. I think we are practically back to the same situation again, and that farm prices and farm programs will become just as important an issue as they were back in those days. Does the Senator agree with me?

Mr. THYE. There can be no question about that. If one segment of the Nation's population is receiving only about 80 percent of parity in relation to the income of the Nation, while another segment is receiving 100 percent, the group which is in the unfavorable position may be kidded for a few months, but it cannot be kidded for long, because Americans do their own thinking.

If the farmer today thought the problem and the responsibility were exclusively his and that he could resolve his difficulties by himself, he would not for 1 minute ask for either Government assistance or Government formulation of a program; he would solve the problem himself.

But the farm question is such that the farmer cannot solve his problems alone. He cannot reduce surpluses by the mere efforts he puts forth.

One producer may reduce his acreage of corn, but another producer will expand his production. One farmer may reduce the size of his dairy herd, while another one will expand. The farmer has no knowledge of what will happen in an adjoining county, or even on an adjoining farm, to say nothing about the State as a whole.

The Senator from North Dakota and I, with our colleagues in Congress, must formulate a program which will, in an orderly manner, reduce the surpluses. Once the surpluses have been brought



into manageable proportions the entire debate on the question of whether to have 90 percent price supports or flexible price supports can be laid aside, because with a prospering national economy, with full employment, and with high purchasing power on the part of the consumer, the market place will reflect full parity for the producer. It is the problem of surplus commodities, which is depressing the market.

Mr. YOUNG. Will not the Senator agree that farm price supports and farm prices were great issues in the election of 1948, and that, as a result, the Republicans lost the farming areas of Ohio, Indiana, Illinois, Wisconsin, Iowa, and even as far west as California?

I think anyone who will check the record will find that it was the loss of the farm vote which caused the Republicans to lose the Presidency in 1948.

I know the senior Senator from Minnesota and I want two things very much. We want a prosperous agriculture, and we want a strong Republican Party. I think we are moving absolutely in the wrong direction. I hope I am wrong.

Before resuming my seat, I wish to commend the senior Senator from Minnesota for a most excellent speech. I wish there were more Members of the Senate who understood agriculture, and who have had as much practical experience in the business of farming as has the senior Senator from Minnesota.

Mr. THYE. I thank the Senator from North Dakota for his kind remarks.

Mr. President, let us not forget yesterday, and let us not becloud our observations to the point where we begin to think that this present farm problem is solely the result of the price support program. As I have said already, there were surpluses and depressed farm markets in the 1920's, but it could not be charged that this was the result of a farm program. There was none then.

Let me read another statement from the CONGRESSIONAL RECORD of April 2, 1928. I would like to quote the remarks of Senator McNary, of Oregon. He was one of the distinguished senior Members of this body, a Member highly respected, and one who was chosen by the Republican Party as its candidate for Vice President to run with Wendell Willkie in 1940. This is what Senator McNary said:

I shall not discuss the general question of agricultural depression. That subject has been discussed every year we have had this bill up for consideration. It is a condition which now obtains and is universally recognized. The President, in various messages and speeches, has declared that there is a farm problem. \* \* \* I think, Mr. President, all agree that the one great problem is the problem of the surplus and how to deal with it.

That is a quotation from a speech by Senator McNary on April 2, 1928. Bear in mind that there was no farm program whatever. There were no price support factors to be held responsible for surpluses. But there was a farm problem in the United States. The farmer was producing more than could be consumed domestically or could be disposed of through export channels.

The Nation is confronted with the same problem today. For the first time,

however, we are approaching the problem in an intelligent manner by providing in the pending bill for the retirement of acres from actual production. After the acres have been retired and placed in the soil bank, nothing will be harvested from them. They can be kept in good, fertile condition for a future need, whether it be an emergency or simply because an increase in population may require greater production of agricultural commodities. Whatever the need might be, the land will be there and will be fertile for the use of future generations.

It is for that reason, Mr. President, that I say we are approaching the problem in a sound, intelligent manner. But, good as the soil bank program promises to be, it cannot become fully operative in this calendar year. In this year, it will only show us its promises for the future control of surpluses. The program, therefore, will not this year have a major effect upon national markets. I am confident that next year it will commence to demonstrate that surpluses are being brought under control. When that happens, we shall find that the national markets will reflect strength. With such strength reflected, there will be parity for the producer in the marketplace, and the support factor will be dropped as an issue since it will be unimportant.

The support factor itself will not affect surpluses, however, because there must be a program to retire acreage from production. So long as there is an abundance of feed which will promise the farmer a greater return through use in livestock feeding, the feed supply will be channeled in that direction. It may result in such an abundance of pork, as occurred last year, that it will ruin the market. It may activate dairy production by such an excessive amount that fluid milk will flood the market, and thereby ruin it. Or the use of feed may result in overproduction of livestock, and depress the price of beef. Poultry production can be increased in less than 6 months. If the producer sees an opportunity of getting a better return for his feed grain by increasing his poultry production, the grain will be channeled to poultry feed. So, in turn, the result will be a constant weakening of the livestock market, or of the dairy market, or of the poultry market. That will occur until the feed supply is brought into balance with domestic needs.

The provision for the soil bank is the first real approach we have taken in that direction. Under the soil-bank section of the bill, so long as it remains operative, the prices the farmers receive will improve. In the meantime, however, I know we are going to need 90 percent support prices on the basic commodities. If we shall fail in our purpose, and flexible support prices shall remain in effect, we shall be instrumental in reducing the price of wheat by 27 cents a bushel this year and reducing the price of corn by 18 cents a bushel. The other feed grains then will reflect a price reduction, because there cannot be a drop of 27 cents a bushel in the price of wheat without the price of barley going lower, and the price of sorghum grains in the Southwest

declining, and the price of oats falling. If that happens, it will affect the whole farm economy.

We cannot expect that farmers can experience a further drop in their economy and still remain solvent. If they cannot remain solvent, it will be the young men on the farms who will be forced off. The farmers of relatively good financial means will buy their equipment and livestock at sacrifice prices, and will produce from the same acres of land just as if the young chaps had not been forced off the farms.

I constantly am aware of all these problems in my State, as well as in all of the other States. I am determined, and I hope my colleagues will join me, that support prices are maintained at a level which will assure that a price squeeze will not be applied to the young farm families. Most of the farmers in that class are World War II veterans, who did not enjoy higher incomes as a result of inflationary war earnings. Those men came back from the war, took their uniforms off, and went into debt to acquire farms, equipment, and necessary home furnishings at inflated prices which existed following World War II and through the early 1950's. Those farmers bought the property necessary to enable them to operate their farms, whether that property was farm machinery or the first year's feed supply. They assumed heavy obligations.

If we put a price squeeze on such farmers by lowering further their income, we will not stop production on those acres of land. Somebody else will operate the land, and somebody else will continue to produce on the land. Yet, we have forced that young farm family off their farm. As I have said, the soil bank is the first intelligent step we have taken to bring production down, but the price squeeze threatens to drive the younger men, including veterans of the war, off the farms if we do not now assist them in maintaining a reasonable financial return for their farm operations.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. CARLSON. I wish to commend the distinguished Senator from Minnesota for a very sound and practical analysis of our present farm problem. I think it was very timely that he brought to our attention some of the past history, going back to the time when we started dealing with farm legislation. As a matter of fact, the farm problem has been with us for many years, and I have no doubt it will be with us for years to come; but at the present time we are facing a critical period, so far as the farm industry is concerned, due to the fact that the farmer's share of the national income is being reduced greatly out of proportion to what other segments of the economy receive.

I merely desired to commend the Senator. I am in thorough support of his view that rigid price supports or flexible price supports will not permanently solve the problem. Such measures are palliative, and are meant to carry us through difficult times, as in periods of depression. I believe that if we can handle the situation for a year or two, we



shall be on the way to a good, sound farm program.

I appreciate very much the remarks of the Senator from Minnesota. I firmly believe that flexible or rigid price supports are not the answer. I shall follow the Senator from Minnesota and discuss parity for wheat.

I have personally come to the conclusion that we shall have to handle the farm problem commodity by commodity, and not by an across-the-board formula for all farm products. It seems to me to be as absurd to handle farm legislation by such a formula as it would be to handle tariffs in that manner. After all, we have a tariff, which has been in operation for many years, which provides preferential treatment for certain products. I think we will have to come to that so far as farm commodities are concerned and the sooner we do, the sooner we shall get our agricultural economy on a prosperous basis.

I thank the Senator for his very fine speech.

Mr. THYE. I certainly thank the Senator from Kansas for his remarks. The Senator from Kansas knows agricultural problems. Because of his keen understanding, he knows, as I know, that if we reduce supports in the immediate future, with present huge surpluses threatening our national markets, the only result will be lowered farm income.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. LANGER. I wish to join my colleague, the junior Senator from North Dakota [Mr. YOUNG], and the Senator from Kansas [Mr. CARLSON] in commending the Senator from Minnesota for the very fine and illuminating statement he has made. I was particularly interested in the remarks of the Senator from North Dakota when he mentioned the effect of the national elections a few years ago. It was a Republican President who vetoed the McNary-Haugen bill, for which farmers all over the Nation were clamoring. It was vetoed by a Republican President, and the results were disastrous.

I am sure my colleague from North Dakota will agree with me when I say that in 1952 more than half the people of North Dakota were on relief. I make the prediction today that unless a good farm bill shall be passed, farm areas all over the country will suffer. Perhaps history will repeat itself, and once more the Republican Party will be blamed, as my distinguished colleague from North Dakota has said. If that happens, I want the Senate to know that the two Senators from North Dakota have given ample warning regarding the situation.

Mr. THYE. Mr. President, never in the history of the United States has the national income approached the present figure. It is the highest national income our Nation has ever experienced. At the present time we have the high employment, high wages, and the highest purchasing power on the part of consumers we have ever experienced.

Yet this one segment of our economy, agriculture, is operating at a low economic level, principally due to the burden of surpluses. Because of those sur-

pluses, the farmers' markets have been shattered. Momentarily that is serious only to the farmer who is caught in a particular price squeeze; but if we analyze the situation and consider the history of the Nation, we find that when the farmer ceases to be a real purchaser, that reflects on the manufacturers of farm machinery, trucks, automobiles, and other articles; and when that effect is felt in the industrial centers, it is not long until the national economy begins to decline. For that reason, I am most anxious to bring about—and I have endeavored to do so during the past 3 years—a realistic approach to the production of agricultural commodities and to the control of surpluses.

Mr. BARKLEY. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Minnesota yield to the Senator from Kentucky?

Mr. THYE. I am delighted to yield to the distinguished Senator from Kentucky.

Mr. BARKLEY. The reference by the Senator from North Dakota to the McNary-Haugen bill, which was one of the first efforts made by Congress to solve the farm problem, reminds me of the fact that, as a Member of the United States Senate, I voted for that bill. All of us were groping in the dark, in a sense, for a remedy for the farm ills which beset our country. That bill was vetoed by the President at that time in office.

From that time until now I have, as the Senator from Minnesota may know, always supported farm legislation, because I have realized, as I do today, that notwithstanding the gradual decline in the farm population, the condition of the farmer has not been such as to put him on a basis of equality in the economic picture with other groups of our people.

It is a strange anomaly that, notwithstanding the gradual decrease of the farm population of the Nation, along with that decrease—which ordinarily would cause us to presume that there would be a decline in production and, therefore, in the available farm products with which to feed and clothe the American people—the condition of the farmer has declined economically percentage-wise.

It is because of that fact that the Government had to interfere, to help stabilize agriculture, as the Government had done, although under a different name, in the case of many other industries and many other occupations.

I am one of those who do not believe that the farmers of the United States—as has been charged against them by some very prominent persons—can meet together and can conspire to overproduce in order to gouge the Treasury of the United States, through a high price-support program. The farmer is the victim of the weather; he is the victim of the seasons. When he plants a crop, he never knows how much he will reap; and he never knows how much help or support he will need until he has reaped his crop. When he plants his crop, he cannot know that.

It is largely for that reason, among others, that I have always felt that a rigid, high-support program, which the farmer would understand when he planted his crop—rather than to wait until he reaped it—was a wise, statesmanlike approach to the farm problem of the United States, until we could find a better remedy, which in my judgment we have not yet found.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield to me?

Mr. THYE. I am delighted to yield to the Senator from California.

Mr. KNOWLAND. For the sake of a correct RECORD, and let me say that I may be mistaken about this matter, for the distinguished Senator from Kentucky was a Member of the Senate at that time, and I was not—is it not a fact that the McNary-Haugen bill was vetoed by President Coolidge in the spring of 1928, and that the Republicans carried the election in November of 1928?

Mr. BARKLEY. Mr. President, if the Senator from Minnesota will permit me to reply, let me say that is true; but my recollection is that the McNary-Haugen bill was vetoed by President Coolidge; and later in the year Mr. Hoover was elected President of the United States, but not on that issue. His election had no relationship to that issue. It had relationship to issues or situations entirely divorced from the farm problem, as I am sure the Senator from California knows.

I do not wish to encroach too much on the time of the Senator from Minnesota. I desire to congratulate him upon his work in the committee and on the floor of the Senate. I am very happy to say to him, if it is worth anything to him, that there is not a Senator on this floor, on either side of the aisle, for whose intellectual integrity I have greater respect, and for whose personality I have greater admiration than I have in both respects for the Senator from Minnesota. I appreciate fully the great labor he has rendered on the committee, and the great labor he is rendering on the floor. When the voting occurs on the pending farm bill, I think the Senator from Minnesota and I will not be very far apart in our attitude on it.

As all of us know, it is unfortunate that the Government has to interfere or has to provide a program for stabilizing agriculture. But that must be done; and we must meet that situation face to face.

I am one of those who do not believe there is any inconsistency between 90 percent supports for agriculture and the soil-bank provision which is included in the pending bill. I think they complement each other, rather than conflict with each other—which I hope to show in a very brief address I expect to make a little later, during the further consideration of this entire question.

I thank the Senator from Minnesota for yielding to me.

Mr. THYE. Mr. President, I thank the distinguished Senator from Kentucky for his very, very high praise.

Mr. President, let me say, further, that in addition to voting for the McNary-Haugen bill, the Senator from Kentucky has had a long, glorious, and bright legislative career over the years. He has



been Vice President of our great Nation, as well as more recently having returned to the Senate, since the conclusion of his services as Vice President.

To my distinguished friend, the Senator from California [Mr. KNOWLAND]—for whom I have the greatest respect; he is an intelligent courageous person, and he is an excellent minority leader—let me say that I had the same thought that he has expressed, namely, that although President Coolidge vetoed the McNary-Haugen bill, later in the same year the Republican candidate for the presidency carried the Nation.

Mr. President, I have before me excerpts from the CONGRESSIONAL RECORD containing some of the debate in 1928 including statements of Senator McNary, Senator Mayfield, of Texas, Senator Brookhart, of Iowa, and several others. I could read them if I desired to take the time required for that purpose, but I shall not do so. However, I wish to say to my friend, the Senator from California, that I examined this question, because I, too, wished to ascertain why it was that, after President Coolidge vetoed the McNary-Haugen bill, a Republican President was elected the following November. I wished to ascertain how that happened, for I knew that the farmer was disappointed over the veto of the McNary-Haugen bill. I knew that because when the message came that President Coolidge had vetoed the McNary-Haugen bill, I happened to be in a gathering of farmers in Minnesota, and I saw many a farmer shake his head, and heard him say, "I do not believe it. I cannot understand the President vetoing that bill, when the farm economy is at an extreme low."

However, during that period, the Nation's economy seemed to be in a healthy state—all except agriculture. Now, I invite the attention of Senators to the chart at the rear of the Chamber. I am not responsible for that chart. I think the Senator from Vermont [Mr. AIKEN] is responsible for bringing the chart into the Chamber. Let us go back over the years. The chart goes back only to 1930. But if we were to go back to 1928, we would find that there was an economic lift in the Nation. There was only a slight reflection of that condition in the farm economy, but there were what appeared to be generally good economic conditions prevailing in the economy as a whole. That carried President Hoover into office. However, the farm economy was on the rocks. At that time it was on the verge of being shattered, as it was finally shattered in the early 1930's.

If anyone doubts the accuracy of my references to the hardships which were imposed on the farmers of the United States, let him go back and check the record of foreclosures which took place. One need not take my word for it. The records exist. They show the cold facts.

It will be found that in the 1930's the farm income had dropped to an extreme low. I fear that we are confronted with a parallel. That is what caused me to search into the old records of almost 30 years ago. Those records show that at that time the farm economy had dropped

in almost the same relation to the national economy as the farm economy has dropped in relation to the national income in this era, about 30 years later.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. BARKLEY. I recall those years. The Senator will, of course, recall that, notwithstanding the fact that in certain phases of our economy there was a constant rise—as in the stock market—at that very time the farm economy was on the decline to such an extent that farmers burned their grain for fuel, because it was cheaper than coal or wood. In some sections of our country farmers forcibly resisted the efforts of the sheriff to carry out orders of the court to foreclose mortgages. At that time there was a rise in other segments of our economy.

I do not compare the situation today with what happened in those days. However, it is a rather strange anomaly that at the very time when other segments of our economy throughout the country are enjoying prosperity, the farm economy is still going down. It shows an artificial situation. It shows that something is wrong with our economy. It is because of the imbalance between the farmer and the rest of the country that Congress is called upon to enact legislation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THYE. I shall be glad to yield in a moment or two. First, I wish to concur in what the distinguished Senator from Kentucky has just stated. In the early 1930's farmers were known to have used corn as fuel in their kitchen ranges, heating stoves, and furnaces, because a bushel of corn produced more heat units than it would have bought if the corn had been sold and cash used to purchase fuels such as coal or wood.

I do not in any sense wish to cast a reflection upon our Nation's economy or raise doubts about its future. We have never known as high an economy on a national scale as we have today. We have never experienced a better employment situation for the worker than we have today. But when we examine events of the past we find that in the years 1929 to 1932 farm income dropped from \$11,900,000,000 to \$5,300,000,000. Compare that period with the period from 1947 to the present. We find that farm income has dropped from \$17,200,000,000 to \$10,200,000,000. If the flexible version of the farm support program is permitted to remain on the statute books and be operative in this calendar year, the price of wheat will go down 27 cents a bushel, and that of corn, 18 cents a bushel. The prices of other related feed grains will go down in relationship to the prices of wheat and corn.

If that happens in this machine age, the situation will be extremely serious. Today the farmer must pay cash for fuel and oil to operate the power machinery on his farm. The situation today is different from what it was when the farmer grew oats, hay, and other feeds with which, through his farm animals, he produced the power necessary to till the land. Today, when the farmer pur-

chases fuel for his tractor or oil to lubricate it, the transaction represents a cash outlay.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. THYE. I yield.

Mr. BARKLEY. In the press this morning it was stated that either today or yesterday the Department of Agriculture, through the Secretary, had announced that the income of the American farmer declined \$1 billion last year, and that while his income was declining his expenses of operation were increasing. I do not know whether the Senator saw that item in this morning's newspapers, but I happened to observe the fact that the income of the farmers of the United States, in this era of great prosperity, had declined \$1 billion last year.

Mr. THYE. I not only read the article, but I heard the announcement this morning by a radio news commentator.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. O'MAHONEY. I rose to ask the Senator to yield because I was prompted to make the same remark which the Senator from Kentucky has just made. I heard the announcement on the radio this morning.

There was another fact mentioned in the Secretary's press release which I think is of even greater significance than the huge drop in the income of farmers. That was that the farmer's share of the consumer dollar, according to the latest figures from the Department, has declined to 38 cents. That is the lowest figure which has been reached since 1939. Since 1953 the farmer's share in the consumer's dollar has dropped from 45 cents to 38 cents. This drop continues, notwithstanding all the talk about flexible supports and the soil bank program.

What we are overlooking, I am persuaded, is the fact that between the farmer and the consumer there is the processor, whose share of the consumer's dollar is steadily increasing, and we do nothing about it.

Comparatively recently the Federal Trade Commission reported upon the number of mergers in the dairy industry. Notwithstanding the attitude of Congress and of the people against mergers, the big national dairy companies are steadily gobbling up more and more local dairy firms. From 1950 to 1954 the huge national dairy companies have absorbed 75 smaller companies in their mergers.

What is more local than the grazing of cows and the milking of cows and the distribution of the product? It is only necessary to examine the record of cases investigated by the Federal Trade Commission and other agencies to know that a national dairy company, when it seeks to bring about a merger, will go into an area it seeks to absorb and sell products at a price lower than it does in its own territory. It undersells the competitor with whom it wishes to merge.

We permit that to go on. I marvel at the fact that the Department of Agriculture seems to remain silent while



this monopolistic trend continues to make it difficult for the farmer to earn his income.

There is a place where we can legislate with vigor in support of competition and in support of free enterprise to save the farmer.

If we do not do it, we must be prepared to see the farm continue to disappear as a family operation. We must be prepared to see the huge farms continue to grow.

We hear that the cost of farmland is higher than it has ever been. That is only because in most instances those with great wealth, the larger producers, are able to buy the small places.

It was only yesterday, after I had spoken on this question that the Senator from Mississippi [Mr. STENNIS] came to me and remarked that in his State, where cotton is the principal crop, the small farmers are being bought up. The large farmer moves in and burns the dwelling which was occupied by the small farmer, takes all improvements off the farm, and continues to raise cotton in greater quantity.

Such conditions prevail because we have not been willing to come face to face with the problem of the monopolistic national processors who stand between the farmer and the consumers, and who continue to take more and more of the dollar the farmer should have.

In thanking the Senator from Minnesota for permitting me to say a word at this point, I, like other Senators who have listened to him, appreciate and applaud the attitude he takes.

I do not believe, of course, that he will find any help for the farmer in the soil-bank plan, which may be called a plan to let the Secretary determine what the revenue will be while we neglect to decide what it ought to be. We merely say, "soil bank," and everyone believes that the Secretary will wave a wand, and in that way the problem will be solved. It will not be solved, I assure the Senator.

Mr. THYE. Mr. President, I do not share the same fear that has been expressed by the Senator from Wyoming. A very extensive study was made of the general subject before the soil-bank section was written into the bill. Some interpretation is left to the discretion of the Secretary of Agriculture and to his advisors, because we could not write a blueprint specifying how the Secretary should administer it.

During my service in Congress, there have been three different Secretaries of Agriculture. I am confident that the Department of Agriculture and the Secretary of Agriculture will properly interpret the section and put it into practical administrative operation. We have already had testimony before the committee assuring us that that will be done. I am sure we will have a soil-bank program that will be administratively workable and that will be properly administered. The soil-bank section represents the only intelligent and sound approach to reducing our farm plant and bringing production of agricultural commodities into balance with our domestic needs and our export possibilities.

Once we bring that situation into balance, the farmer will receive 100 percent of parity in the marketplace, because there has never been such a favorable economy as we have today.

If it were not for the present surpluses, I sincerely believe that the farmer would be on economic parity with every other segment of our Nation's economy.

I order to dispel the fear that it was 90-percent price supports which brought about the surpluses, and the fear that if we restore 90-percent price supports we will destroy the soil-bank program, I wish to remind Senators that in the late twenties and early thirties we had no farm support program and no parity payments. Nevertheless, surpluses were breaking the national markets, and destroying the income of the farmer.

In order to take an argument from yesterday's pages of history and bring it into today's debate, I ask unanimous consent to have printed in the RECORD certain excerpts from remarks made by Members of the Senate and of the House of Representatives when the McNary-Haugen bill was before the Congress in the spring of 1928.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RECORD, April 2, 1928, Senate:

"Mr. McNARY (Oregon). I shall not discuss the general question of agricultural depression. That subject has been discussed every year we have had this bill up for consideration. It is a condition which now obtains and is universally recognized. The President, in various messages and speeches, has declared that there is a farm problem. \* \* \* I think, Mr. President, all agree that the one great problem is the problem of the surplus and how to deal with it."

CONGRESSIONAL RECORD, April 3, 1928, Senate:

"Mr. MAYFIELD (Texas). Mr. President, no Senator can longer doubt that a new determination of the Nation's policy toward agriculture is the most important task that has confronted the country in the past decade. The men and women who produce the raw materials on which our industrial existence and, indeed, the very life of the Nation depend, are operating at a great disadvantage compared with the more closely knit economic groups in industry, commerce, and finance. We can neither avoid nor efface the evidences of the disparity. The greatest problem before the American people today is the restoration of agriculture to a permanent, remunerative basis. \* \* \* It is of this last form of farm relief—the development of an effective system of surplus control in agriculture—that I speak more particularly at this time \* \* \* they (the farmers) must be helped into position to demand for their cotton and other crops prices that cover the cost of producing these crops, plus a reasonable profit on their investment, just as industry would receive if the American cotton crop were the product of an organized industry."

CONGRESSIONAL RECORD, April 3, 1928, Senate:

"Mr. BROOKHART (Iowa). First, I want to describe something of the size and magnitude of this proposition. I think we are all agreed that, so far as marketing farm products is concerned, the control of the surplus in the United States is the important proposition. That is not all of the farmer's troubles, by any means. That is only a fraction of the cause of the present agricultural situation. But I will confine my

discussion to that proposition, and that alone. First, I look upon that proposition as if it were one big American farm. As far as Congress is concerned it is our farm, and we are producing a surplus, and that surplus is depressing our domestic market. The problem for us is to control that surplus, so that we can get our cost of production plus a reasonable margin of profit, to which all business is entitled. \* \* \* A great argument is made here against any bill that contains a provision for Government price fixing. I want no Government price fixing, but I do want price fixing according to the honest and fair cost of production, and every business in the United States, every successful business in the world, fixes its prices in that way. \* \* \* I am not frightened, however, by this subsidy argument. We have had some experience with subsidies in the United States before. This is not the first time that we have had talks of subsidy. I remember a railroad bill in 1920—the Transportation Act. There are a number of Senators here who voted for that bill. That bill provided that for the first 6 months we should guarantee out of the Treasury of the United States the operating expenses and the war-time return, as the railroads had received that return during Government operation. Yesterday I asked the Interstate Commerce Commission for the figures as to how much subsidy we had paid to the railroads on that guaranty, and I have it here. It is \$529,278,911.51, and we still owe them \$250,000."

CONGRESSIONAL RECORD, April 3, 1928, Senate:

"Mr. BLAINE (Wisconsin). But I am not speaking politically. I do think, however, that the Republican Party owes it to the agricultural interests of Americans to carry out its pledges. It has too long delayed those pledges, and had there been any greater hope or trust in the Democratic Party, there might have been a different complexion politically in the administration at Washington."

CONGRESSIONAL RECORD, April 6, 1928, Senate:

"Mr. GOODING (Idaho). The farmer, Mr. President, is not asking to tear down the present high standards of wages in America. His hope is that if this legislation passes he will be able to meet the present standard of wages in America and have something left at the end of the year to keep the wolf from the door. \* \* \* It is a simple story, and it seems to me that anyone with an open mind who studies the legislation that has been passed in the last few years, and the increased cost of production, can understand why there is a farm problem. The farmer is not responsible for the farm problem. \* \* \* It has been a great disappointment to me that all of the New England and the other industrial States, almost without exception, are opposed to this bill. \* \* \* Mr. President, those opposing the bill say we can not legislate prosperity to the farmer. We have legislated prosperity to the railroads by giving them practically a guaranty of 5% percent on their investment, and the railroads today are enjoying the greatest prosperity in their history. We have legislated prosperity to the laboring man by giving him shorter hours and increased pay. We have legislated prosperity to the manufacturer by giving him, in the Fordney-McCumber Act, the highest protection that he has ever enjoyed. On different occasions I have placed in the RECORD the cost of farm implements and the prices the farmer pays for the things he uses in the home and on the farm. In round numbers, it means 100 percent of increase. The only way the farmers can be helped is to increase the price of their products upon the market."

"Mr. FRAZIER (North Dakota). A great deal is said about the prosperity of our country.



This does not apply, however, to the farmers. Will Rogers, the cowboy humorist, says: "The country, as a whole is prosperous; but that does not mean that it is prosperous as a whole." \* \* \* Prosperity certainly has not reached the producers of food products and of other necessities that are raised upon the farms of this country."

"Mr. COPELAND (New York). The President may perhaps veto the pending bill on the ground that it violates economic law. Of course it violates economic law. Anything that interferes with the law of supply and demand, with the free flow of things throughout the world, is uneconomic. But, Mr. President, is there anything more violative of economic law than the protective-tariff system? The very nature of the law, the very intent of the law, is to do away with the law of supply and demand. \* \* \* I spoke a little while ago about the labor unions. When the labor unions fix the price of labor, that violates the economic law, but they do it to the advantage of those who labor."

CONGRESSIONAL RECORD, May 25, 1928, Senate (on overriding veto):

"Mr. McNARY. I exceedingly regret the action of the President on account of the very earnest desire of the membership of Congress favorably to report and to enact some legislation that Congress thought would be beneficial to the farmers in their depressed condition. At this late hour it does not seem possible that any legislation can be had of this nature, or legislation of any kind that will tend to benefit agriculture."

CONGRESSIONAL RECORD, April 26, 1928, House of Representatives:

"Mr. HAUGEN. I believe all are agreed as to the important place which our basic industry, agriculture, holds in the economic life of the Nation, also all who have given it due consideration also agree that it will require the united and best efforts of all regardless of their political affiliation or personal interests to overcome the continued economic depression, to encourage, to restore normal and better conditions in agriculture, to thus promote progress, prosperity, and happiness, not only to agriculture but to labor and all activities, in order that we may have the fullest development of every worthy and legitimate enterprise."

"Shall due consideration be given to the important place agriculture holds in the economic life of the Nation, and the continued depression in agriculture and the party platform pledges? Have the producers the right to ask the Republican Party to redeem its national party pledges made at Cleveland?"

"The Republican Party at its national convention held at Cleveland solemnly declared: 'We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back the balanced conditions between agriculture, industry, and labor.'

"There the farmers have the party's acknowledgment of the adverse conditions that have brought deep despair. In it they have the pledge to bring back a balanced condition between agriculture, industry, and labor."

"The Democratic Party at its national convention held at New York pledged itself to 'stimulate by every proper Government activity the progress of the cooperative marketing movement and to the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.'

"Have they the right to ask the Democratic Party to redeem its party platform pledges, to promote the cooperative movement, and the pledge to establish an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop?"

"President Coolidge, in his message at the opening of the last session of the 69th Congress, said in part: 'The important place which agriculture holds in the economic and social life of the Nation cannot be overestimated. The National Government is justified in putting forth every effort to make the open country a desirable place to live. No condition meets this requirement which fails to supply a fair return on labor expended and capital invested.'

"The question to all is, Shall it be done?" CONGRESSIONAL RECORD, April 30, 1928, House of Representatives:

"Mr. PURNELL. I think we are all agreed that the one great problem is our agricultural surplus and how to deal with it."

CONGRESSIONAL RECORD, April 30, 1928, House of Representatives:

"Mr. ANDRESEN of Minnesota. The farmers have been continually encouraged by the Government to raise a surplus, and therefore this legislation seeks to bring about the readjustment so that the American producer will have his proper place in our economic life."

"Mr. ROBINSON of Iowa. The absolute necessity of a change in the agricultural situation seems to be admitted by all—any difference of opinion is regarding the methods to be adopted. \* \* \* It has been all too easy to feel and think that the severe depression in agriculture is entirely a farmer's problem, and to permit him to bear the burden of it, and to work out his own salvation or to perish in the attempt and go down and out and let others take his place."

/Mr. THYE. Mr. President, I yield the floor.

Mr. CARLSON obtained the floor.

PROGRAM FOR CONSIDERATION OF FARM BILL

Mr. KNOWLAND. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I am glad to yield.

Mr. KNOWLAND. For the information of the Senate, I wonder if the distinguished acting majority leader can inform the Senate as to the program for Thursday and Friday. As Senators know, our unanimous-consent agreement, pursuant to which we shall be operating under controlled time, goes into effect on Thursday. Is it the intention of the acting majority leader, who is handling the agricultural bill as chairman of the committee, that there shall be a night session of the Senate on Thursday? Also, assuming that action on the bill is not completed on Thursday, is it the intention, if necessary, to hold a night session on Friday? If so, realizing that there must be some flexibility in the arrangement, can the Senator say how late he would anticipate holding the Senate in session on those two evenings?

Mr. ELLENDER. It is my hope that the Senate will meet at noon on Thursday and remain in session until, say 9:30 or 10 o'clock. On Friday the Senate might meet at 10:30 a. m. and remain in session until action on the bill is completed, if possible. If it is necessary, in order to complete action on the bill, that the Senate remain in session until 11 o'clock, it is the intention to keep the Senate in session until that hour.

Mr. KNOWLAND. I wished to develop this information in order that all Senators might be advised that it would be unwise to have dinner engagements on either Thursday or Friday.

Mr. ELLENDER. I suggest that such engagements be canceled. The Senate

ought to remain in session long enough on Thursday and Friday to complete consideration of the bill, if at all possible.

Mr. KNOWLAND. Has the acting majority leader given any consideration to the possibility of the Senate meeting at an earlier hour than 12 o'clock noon on Thursday?

Mr. ELLENDER. I suggested the hour of 12 o'clock Thursday for the reason that certain Senators will not reach the city until probably 1 o'clock. All Senators have been informed that the Senate is expected to meet at 12 o'clock noon on Thursday. Under the unanimous-consent agreement, the first vote could not take place until 2 p. m.

Mr. KNOWLAND. Has the Senator given any thought to the possibility of a Saturday session, in the event consideration of the pending bill is not completed by, say 10 or 11 o'clock Friday evening?

Mr. ELLENDER. Yes; I have. The majority leader [Mr. JOHNSON of Texas] will be present on Thursday. I have not discussed the question with him personally, but I shall be in touch with him. I shall be able to inform the Senate, probably before it takes a recess this evening, as to what is planned in that connection. However, it is my hope that Senators will be on hand at 12 o'clock noon on Thursday and remain in attendance. It ought to be possible to conclude consideration of the bill Friday evening, which would make a Saturday session unnecessary. None of us likes a Saturday session.

Mr. KNOWLAND. As the Senator knows, a number of committees of the Senate must meet to transact business during the afternoon, while the Senate is in session.

Mr. ELLENDER. That is true.

Mr. KNOWLAND. That is the reason why a number of our colleagues are not present in the Chamber today. They are in attendance upon meetings of the Committee on Appropriations, and other committees.

Mr. ELLENDER. That should not be the case on Thursday or Friday.

Mr. KNOWLAND. I hope committees will avoid afternoon meetings on those 2 days, except in an emergency type of situation.

Mr. ELLENDER. I doubt whether it will be necessary for the Senate to meet on Saturday. If the Senate can begin work at noon on Thursday and remain in session until 10 o'clock Thursday night, and perhaps 11 or 11:30 Friday night, consideration of the bill can be completed.

Mr. President—

Mr. CARLSON. Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. Mr. President, during the past week in the debate we have



heard many statements about the plight of the American farmer; therefore I do not expect to labor that point.

I think it is well to mention, however, that business, finance, and government underscore the opinion that odds heavily favor a continuation of an expanding prosperity in 1956 and also in years ahead, with minor hesitation in our American economy, except in agriculture.

National income rose approximately 7 percent in 1955. A smaller rise, but an increased total income is anticipated in years ahead. Farm products fell about 5 percent from 1954 to 1955. Nationwide realized net farm income fell 10 percent in 1955.

In the face of rising national income, net farm income has fallen 32 percent in the past 4 years. Despite the strong demand for farm products, the farmer is caught in his own quicksand of surplus production.

Much of the debate last week was on the terms of rigid or flexible parity. It is my opinion that neither rigid nor flexible parity is the solution to the farm problem. We have tried both. It is my opinion that we must begin to take a new look at the entire farm picture, with a view of securing for the farmer his fair share of the national income, based on domestic consumption.

As our population increases, there will, of course, be greater demand for our farm products, but on the other hand, we shall continue to get increased production as a result of new and higher producing farm crops, as a result of research. We shall continue to increase our farm production as we learn how to store and conserve water in our soil and as we, through soil studies, learn the full use of fertilizer.

The soil bank proposal in this legislation is not only timely legislation, but has great possibilities for the future. I strongly favor it. On the other hand, I do not see how it can be effective in getting needed financial relief out into the farming areas this year.

Nor can I see any reduction in wheat production in 1956. That is especially true of the winter wheat areas.

President Eisenhower recognizes that agriculture is our basic industry and that legislation must be enacted which will assure the farmer of his fair share of the national income.

The President, in his special farm message to Congress, stated:

Although agriculture is our basic industry, farm families find their prices and incomes depressed amid the Nation's greatest prosperity.

An oversupply of commodities drives down prices as mounting costs force up from below, generating a severe price-cost squeeze.

Remedies are needed now, and it is up to the administration and the Congress to provide them swiftly. As we seek to go forward, we must not go back to old programs that have failed utterly to protect farm families.

In the pending measure the administration is requesting authority of Congress to spend more than \$1.3 billion in payments to farmers for a soil-bank program. In addition to this, it is recommending a continuation of the present parity program and an expenditure

of vast sums of money for the disposal of surplus farm commodities.

Mr. President, the situation confronting wheat farmers today is certainly proof enough that the present wheat program is a failure.

Under the existing wheat program:

First. Farmers are compelled to operate under rigid marketing controls.

Second. Wheat acreage has been cut from 78 million acres in 1953 to 55 million acres, the minimum acreage permitted by law. The Secretary of Agriculture has stated that were it not for that minimum, the current supply situation would force a cutback to about 18.6 million acres.

I say, in all sincerity, Mr. President, that I do not believe anyone is going to suggest that wheat production be cut to 18.6 million acres. In Kansas we have taken a very severe cut in our wheat production. Wheat acreage in Kansas has been reduced from approximately 18 million acres in 1951 to 10,800,000 acres at present. I should say that is a very severe cut. I would not say our farmers are taking it cheerfully, but they are complying with the law. So I do not feel there can be a much greater reduction in the acreage of wheat.

Third. The parity price under the new parity formula will be reduced from \$2.51 per bushel to \$2.19 per bushel.

Fourth. The support price for wheat has already been reduced from 90 percent of parity to 76 percent of parity.

Fifth. Export markets have all but declined to the vanishing point despite subsidy payments totaling \$200 million last year.

Sixth. The Government now has more than \$2½ billion invested in wheat, and is paying an annual storage bill of about \$200 million.

It is apparent from facts such as I have just related that there must be a change in the wheat program. If we continue to do nothing and attempt to hold fast to out-of-date programs which no longer fit present-day conditions, or which have been clearly shown to be inadequate, or if we continue to attempt to apply blindly a single program to the problems of every commodity, whether it fits or not, wheat farmers may rightfully insist upon their rights to have something to say about the future of those holding high places as Government officials and us as lawmakers.

There has been a tremendous change in the wheat situation in the last few years. During the war and up until the crop year 1954, farmers were urged to produce wheat in unlimited quantities. Now we have on hand a recordbreaking surplus which has brought about the application of stringent production controls.

Actually, this surplus has accumulated only since the harvesting of the 1952 crop. On July 1, 1952, our wheat carryover was only 256 million bushels, which is substantially less than a normal and desirable carryover in these times. Looking backward, it now appears that it would have been the wiser course of action to have imposed acreage allotments and marketing quotas on the 1953 crop. But controls were not invoked

until 1954, and, of course, have been continued since then.

Had it not been for the application of the acreage limitations, the surplus situation today would have been even more serious. Through the application of these controls, wheat acreage has been cut from 78 million acres in 1953 to 55 million acres in 1955, the minimum permitted by law. This represents a reduction of 30 percent in 2 years. Even with this harsh cutback in acreage, we are still producing more wheat than we are marketing, even though we spent last year about 200 million dollars on export subsidies.

As I have heretofore indicated, the Secretary of Agriculture has stated that if it were not for the 55 million acre minimum provision in the law, the current supply situation would force a cutback in acreage to 18.6 million acres.

Our exports of wheat have continued to decline sharply despite heavy subsidy payments. The hard fact is that the United States today is virtually a residual supplier in the wheat markets of the world. Unless we develop a program which will permit American wheat to enter the markets of the world competitively on both price and quality bases, there will be no alternative but to force the wheat farmer to take even more severe cutbacks in production.

The income of wheat farmers is suffering because of reduced acreage and lower prices. The price support level has been reduced from 90 percent of old parity, the rate in effect for 1954 and preceding years, to 82½ percent of old parity in 1955. It is to be further reduced to 76 percent of transitional parity for 1956.

In dollars and cents computed on the basis of average price support, this represents a reduction from \$2.24 a bushel in 1954 to \$1.81 a bushel in 1956. With the size of the current wheat stocks, farmers, under the flexible price-support program, cannot expect any more than 75 percent of transitional parity for 1957 and 1958. This is estimated to be the equivalent of \$1.70 a bushel in 1957 and \$1.60 a bushel in 1958.

It is the matter of the continuing decline in the income to farmers, when everything else is booming, that should cause all of us to pause and to take a good look to see if there is actually in the bill anything which proposes to offer any real solution to the problem of wheat. To check this undesirable trend in wheat will require decisions which must not be characterized either by timidity or shortsightedness. One thing is certain, and that is that the decline in the wheat farmers' income certainly cannot be checked by a continued blind adherence to the present flexible price-support formula.

I, for one, believe that a sound program for American agriculture must be built upon a commodity-by-commodity approach. In other words, we must fashion a weapon to meet the problems and the needs of each commodity.

Since the close of the war, there has been a continuing debate in the Senate and elsewhere over the method and level of price supports. The issue has been publicized in the public eye as a battle



between the advocates of high rigid support on the one hand and flexible support on the other. Actually neither position will meet the long-time fundamental needs of wheat growers. I have searched the committee bill and the report in vain to find any hope of a solution for wheat, but again, insofar as the matter of price support is concerned, the report seems to indicate a continuation of the controversy between the advocates of rigid and flexible supports, with the exception of the willingness of the committee to attempt a new program for rice.

The so-called high rigid level of supports is predicated on the objective of reducing supplies to a level at which they can be moved into consumption at 90 percent of parity. That program completely ignores and fails to recognize that the potential market outlets for wheat at this price level are limited to domestic uses for food. When this level of support is applied to total production, it immediately prices American wheat out of all other markets, including the world market. A complete loss of our export markets would be caused if heavy export subsidies were not made available by Congress. Wheat farmers, I believe, realize that the American people will not continue forever to tax themselves to pay export subsidies on wheat at the rate of anything like \$200 million a year.

There are others who will say that flexible price supports will solve the problem—that all we have to do is to wait. I am confident that that is not the solution for wheat. Actually, there is little flexibility under such a program. But for the 82½ percent minimum level of support established by law for the year 1955, the flexible support program for wheat means nothing but a straight drop to a rigid 75 percent. With a 75 percent price support level for wheat, nothing will have been accomplished except to further reduce farmers' income from wheat and to bring about some reduction in the amount of export subsidies. Consumption will not be increased. New markets will not be opened. And it will be necessary to keep in effect all the controls which are now in operation. Every complaint that has been made against the 90 percent rigid level of support can be made with equal validity against the flexible price support program when it is applied to wheat.

So long as we pursue the policy of fixing prices as we do under the present wheat support program, we will be caught on the horns of a dilemma. We will either have to fix prices so high as to price wheat out of many of its natural markets, and make the Government itself the principal market, or we will have to fix prices low enough to permit the entry of wheat into the markets of the world. If the latter course were followed, wheat farmers would be compelled to sacrifice a fair return on that portion of the crop which was sold domestically for food, in order to have access to the world market. Wheat farmers are entitled to a program which will not force them to do that.

The only sound program for wheat is one which will return to wheatgrowers

their historic right to compete fairly in the markets of the world, without having to sacrifice their domestic food market at home.

The only effective means I know of to accomplish that objective is the domestic parity plan. Certainly no better plan has been advanced, and the committee states that it has traveled far and wide, and that it has heard from practically everyone who has claimed to have any solution of the farm problem.

The plan to which I refer has the active and vigorous support of the National Association of Wheat Growers and they are supported in this position by the National Grange. This program has frequently been referred to as the two-price plan, but the term "two price" is a misnomer. The reference to it as a two-price plan actually has been the cause of some misunderstanding. It has resulted in the domestic parity plan being confused with other and more complicated proposals. It is a misnomer because, under the domestic parity plan, there are not two prices. Under the domestic parity plan, all wheat will be sold freely in the market, at competitive market prices. Prices will be established freely by the forces of competition, and not by Government edict.

The domestic parity plan actually is nothing but a system of marketing which enables producers to obtain a return equal to parity for that portion of the crop which is consumed domestically for human food, and to receive competitive market prices for the portion used for feed or for export. Wheat used for human food domestically should obviously bring a higher return than should wheat used for animal feed. An important factor of my proposal is that all wheat is to be permitted unrestricted movement, and is to be sold at competitive market prices through all channels of trade and at all stages of marketing through to the miller and exporter.

Under this proposal, there would not be any Government subsidy or price support in the market place, after the plan became fully operative. The plan would be self-financing through the use of marketing certificates. Consumers of bread and other wheat food products would continue to pay in the market place, as they do now, only a fair price. But once the plan was fully operative, unlike conditions under the present program, there would no longer be any necessity for consumers and taxpayers making a second payment in the form of taxes for export subsidies or for storage costs or for losses because of spoilage.

The domestic parity plan is particularly suitable for wheat, because the demand for wheat for food uses is highly inelastic. By that, the economists mean that about the same amount of wheat will be consumed for food uses whether the price goes up or down. Thus, it does not help to cut the cost of wheat which goes into bread.

On the other hand, the demand for wheat for feed and export is relatively elastic. By letting wheat again be sold at competitive market prices, the chances of expanding outlets and increasing demand are excellent. There have been

a number of instances in the past where export sales have been lost by as little as one-eighth of a cent or less because of the rigidity of our prices, which are fixed by the Government through the amount of the export subsidy. Grain merchants or millers, under the present system, cannot merchandise wheat and wheat products. All they can do is to call up the Department of Agriculture and find out what subsidy is being paid. That establishes the price, and it is well known to both buyers and sellers alike. If foreign buyers cannot buy cheaper anywhere else, then the United States may make the sale. Is it any wonder that our export markets are dwindling under such a system?

One of the most hopeful things about the domestic parity plan, however, from the standpoint of wheatgrowers and for our national economy, is that returns to farmers will be higher under it than under the present program, even if the plan does not result in any increase in consumption, which, of course, it is almost certain to do. According to the best estimates available, wheat producers in 1954 would have received, on the same volume of wheat, about the same return under the domestic parity plan as they did under the rigid 90 percent of parity program. If, however, an allowance were made for some increased use for feed or export, as certainly could reasonably be expected, there would have been an income difference in favor of the domestic parity plan.

In 1955, with the support level under the present plan reduced to 82½ percent of parity, a minimum of 7 percent more income would have been received under the domestic parity plan on the same 55 million acre national allotment. In 1956, it is estimated that the return would be 9 to 10 percent greater.

The domestic parity plan should be of great interest to poultry producers and dairymen in the eastern section of our country. Poultrymen, for example, have been having to purchase feed wheat, which has been supported at bread price levels, feed it to their poultry, and then market their poultry in a free market. Under this plan, poultrymen would be able to fill their feed wheat requirements at feed wheat prices, or could, if they preferred, raise their own wheat without fear of being hit with marketing penalties.

During the first session of this Congress, there were a number of proposals to exempt farmers from wheat marketing penalties, if they produced wheat solely for feed, for use solely on their own farms, for feeding their own livestock and poultry. One of these bills, S. 46, passed the Senate.

Proposed legislation such as this clearly points up the inadequacies of the present program, and illustrates how the domestic parity plan is far better adapted to the needs of livestock and poultry producers. Under my amendment, all livestock and poultry producers would be treated equitably. Every livestock and poultry producer, wherever situated, would be able to buy all the wheat needed at feed wheat prices, or they could raise it themselves, without



being subject to marketing penalties. They would no longer need be concerned about Government regulations, exemptions, penalties, or what have you.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. YOUNG. The opponents of rigid price supports have always claimed this kind of support program would price wheat out of domestic and foreign markets. Is it not true that the domestic parity program, which the Senator has excellently explained, is the only kind of price support program which would make it possible for domestic wheat to compete with wheat produced in other countries?

Mr. CARLSON. The Senator from North Dakota is absolutely correct, and, in my opinion, it is the only program which will put the wheat-growing sections of the Nation on a parity with other sections. I think we must be practical in enacting a farm program. It is idle to talk about wanting to do something, and then undertake to write a program which does not fit the actualities as they are on the farm.

Mr. YOUNG. Under the present flexible program, the price of wheat is set at the start of each year, and that becomes the price for a whole year. The foreign competitor can set his price just under the price that is set in this country. Is that correct?

Mr. CARLSON. The foreign competitor not only can do it, but he does it. That is what has taken away our world market.

Mr. YOUNG. I wish to commend the Senator for giving the best analysis of the domestic parity program I have ever heard. I have always thought it had a great deal of merit. I shall support the amendment of the Senator from Kansas for two reasons.

One reason is that I think the conferees should have an opportunity to consider the proposal. The second reason is that I think the wheat farmers of this Nation should have the right to vote on whether or not they would approve this kind of program.

Before I take my seat, I wish to commend the Senator for the excellent job he has been doing for the farmers of the Nation. Ever since he came to the Senate, the position he has taken has always been commendable. I think the Senator has a knowledge of farm matters which is unexcelled by that of any other Member of the Senate.

Mr. CARLSON. I thank the Senator from North Dakota for his very kind personal remarks. There has been much misinformation about the domestic parity program. In fact, when it is analyzed, it is a very simple program, but much confusion has been spread to the effect that it is so complicated it would not be operative. The truth is that it is the most simple program for the wheat areas.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I wish to commend the Senator for his excellent presentation of the domestic parity pro-

gram for wheat. I believe I am a cosponsor of the amendment which the Senator proposes to offer.

Mr. CARLSON. If the Senator will permit me, I should like to say he is not only a cosponsor, but one whose name I am very proud to have on the amendment.

In sponsoring the amendment, I am joined by Senators from various of the wheat-producing States. After all, who would know more about the production of wheat than do those who represent the States which produce the majority of the wheat grown in the United States?

Mr. CASE of South Dakota. Mr. President, the Senator from Kansas certainly understands the wheat problem, as it affects the entire Great Plains area.

There are two things which, it seems to me, make this matter worthy of presentation in the form the Senator from Kansas has provided. One is that his amendment places upon the industry, so to speak, or upon the wheat market, the cost of the plan. It relieves the United States Treasury of any suggestion of cost for support loans or anything of the sort. The amendment really gets the price out of the market.

Mr. CARLSON. If the Government wishes to get out of the wheat business, this is the way to do it.

Mr. CASE of South Dakota. In the second place, in principle the amendment seems to me to be on all fours with the principle of the minimum wage.

In that connection, I wish to recount to the Senator from Kansas and to the other Senators present an experience I had last fall in discussing this subject with a miller. I went into one of the largest mills and elevator systems in South Dakota, and talked with the president of the company. I said to him, "Of course you pay a minimum wage to everyone who works in the mill, processing wheat, don't you?"

He said, "That's correct, and of course most of them are paid above the minimum."

I said, "In other words, the men who help process the wheat get at least the minimum wage, which is as near parity as we can establish by law, or at least it is a basic wage; and many of them get more, don't they?"

He said, "That's correct."

Then I asked, "Would you object to legislation which would require that you pay the producer of the wheat a fair price for his labor, just as you seek to pay a fair price to the man who does the processing in your plant?"

He thought for a moment, and then said, "I certainly would not object to it, if my competitors were on the same basis."

Growing out of that experience and that discussion, when the Senate Committee on Agriculture and Forestry conducted its hearings at Brookings, S. Dak., in the latter part of October, I carried that suggestion there, and said at the time that I hoped the committee would give consideration to establishing a legal parity price for wheat of milling grade.

I have not thought through the mechanics of it as fully as has the Senator from Kansas. I had thought we might

do it merely by means of a legal requirement for receipts and such other records as would enable the miller or elevator man to show that he had paid a legal parity price for the wheat, or that he had paid an amount equivalent to the amount paid for wheat which went into domestic milling consumption.

But I think the plan the Senator from Kansas has in mind handles the mechanics of it better than even a straight legal requirement—through the certificate plan which I understand the Senator from Kansas envisions.

Mr. CARLSON. I do not see anything which can be simpler than to use certificates which would have to be purchased by the miller on the basis of the average price for the wheat, as that price was set by the Secretary—which is what our amendment does; and the value of the certificates would be equal to the amount by which the estimated parity price—which would be set by the Secretary of Agriculture—would exceed the estimated farm price, as also determined by the Secretary.

It seems to me that is a simple program which would operate with great satisfaction and would give the farmer his fair share of the domestic price paid for the consumption of a commodity on which today we are not only taking losses, as regards the price, but with respect to which we are requiring the Federal Government to contribute hundreds of millions of dollars in price supports and export subsidies.

Mr. CASE of South Dakota. Mr. President, with the logic of the Senator from Kansas, it is hard to disagree.

Mr. CARLSON. I sincerely hope that when the amendment is before the Senate, for consideration in connection with the pending farm bill, not only the Senator from South Dakota but many other Senators will see the logic of the amendment and will try somehow, in some way, to help not only the wheatgrowers of the Nation, and agriculture generally, but also the Government itself. It seems to me we have a great opportunity here to be of service.

Mr. CASE of South Dakota. Mr. President, in concluding, I wish to say that I think the Senator from Kansas should also be commended for the approach he suggests, namely, that we give the farmers this opportunity either to accept or reject the certificate plan.

Mr. CARLSON. Yes; as the Senator from South Dakota knows, the amendment provides for a referendum. The farmers, themselves, will determine whether they wish to accept this kind of program. I think we can safely abide by their judgment. Personally, I am willing to do so. We should permit the farmers to vote on the question of whether they wish to participate in such a program.

Mr. CASE of South Dakota. And in voting on that question, the farmers will have an understanding of just what the plan is, will they not?

Mr. CARLSON. That is correct.

Mr. ELLENDER. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I am glad to yield to the Senator from Louisiana.



Mr. ELLENDER. I do not wish to interfere with the presentation the Senator from Kansas is making.

Mr. CARLSON. If the Senator from Louisiana will permit me to finish this statement, of course I shall be glad to yield for questions when I have concluded.

Mr. ELLENDER. There are several questions I should like to ask. One of them is: Does the amendment sponsored by the Senator from Kansas fix a minimum price, or floor, under which wheat cannot be sold, and at which point the Government will step in and will offer loans?

Mr. CARLSON. My amendment does that, and it does it for a definite reason. I know the wheatgrowers of the Nation would not want to be unfair to the corn producers or the producers of other feed crops. Therefore, we include in the amendment a provision which will protect those who produce corn and other feed crops.

Mr. ELLENDER. What is that floor?

Mr. CARLSON. I do not happen to have the amendment in my hand at the moment, but I shall get a copy of it.

Mr. ELLENDER. Does the Senator from Kansas intend to discuss the amendment?

Mr. CARLSON. Yes. I now have a copy of it before me, and I shall be glad to read the amendment into the RECORD. The minimum level of support would be determined by the Secretary after taking into consideration the factors specified in the amendment, paragraph (b) of section 380k.

Mr. ELLENDER. If the amendment, as now proposed to be submitted, is adopted, and assuming that the world market price for wheat is, let us say, \$1.50 per bushel, what would be the loan basis?

Mr. CARLSON. The section dealing with price supports provides—and again it goes back to the beginning of section 380k, which begins with the words "Notwithstanding any other provision of law"—In fact, I shall read, beginning with the first line of the section, as follows:

#### PRICE SUPPORT

SEC. 380k. Notwithstanding any other provision of law—

(a) Whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

Then subsection (b) follows—and I now read it:

(b) The Secretary of Agriculture is authorized to make available, through loans, purchases, or other operations, price support to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price-support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in

wheat including exchange rates and currency regulations.

I interpret that to mean that the Secretary of Agriculture would set a rate that would not be so low as to disrupt the entire world market. That is not the idea.

Mr. ELLENDER. But under that language the Secretary could fix the price of wheat, which would be used for feed, in line with the price of corn.

Mr. CARLSON. Yes; but he should not make it so low as to wreck the price support for corn, or the corn market. That is very definitely protected, and I would have it no other way.

Mr. ELLENDER. What about acreage controls or marketing quotas? Would the farmers vote for them, as such, or could they plant all the wheat they might desire?

Mr. CARLSON. The amendment is so drawn that the farmers would cooperate, under acreage controls as they do now. However, until this program is underway it would not disrupt the present acreage-control and marketing-quota program.

Mr. ELLENDER. The same machinery would be used?

Mr. CARLSON. Yes. As I see the future of this legislation, when and if it is enacted, we should be able to eliminate that feature, but we cannot do it with the present surpluses, and the situation in which we find ourselves.

Mr. ELLENDER. What would be the normal difference in price, as between wheat used for human consumption and wheat used for feed?

Mr. CARLSON. The price in the market place would be the same—namely, the price fixed by the law of supply and demand. But farmers would receive on their proportionate share of the wheat used for human food in addition to the market price certificates having a value equal to the difference between the average market price and 100 percent of parity, so that their total returns on wheat used for human food would approximate 100 percent of parity.

That would be the basis for the figure which the farmer would receive for his share of domestically-consumed wheat. Also the Secretary could set a support level for all wheat, and that might, in effect, be the market price, generally speaking, for wheat.

Mr. ELLENDER. As I understand, wheat now consumed domestically for food amounts to about 575 million bushels a year.

Mr. CARLSON. The Senator is correct. My figures are somewhat more than 500 million. The figure is rather consistent. It is interesting to note that it does not change very much.

Mr. ELLENDER. How would that amount of wheat be apportioned among the wheat growers? Would it be apportioned on the historic basis of their past plantings?

Mr. CARLSON. That is correct. It would be apportioned on the present State basis, county basis, and individual farm basis, with about 1 percent available for allocation, for various reasons.

Mr. ELLENDER. As to that what, as I understand the Senator's amendment,

the farmer would receive the equivalent of 100 percent of parity.

Mr. CARLSON. Based upon what the Secretary determines is 100 percent of parity; yes.

Mr. ELLENDER. Certificates would be issued to wheat growers in the amount of the difference between the market price of wheat and 100 percent of parity?

Mr. CARLSON. Certificates would be offered to the wheat grower for his share of the domestic allotment in an amount to equal the difference between the average price of wheat and 100 percent of parity.

I wish to commend the Senator from Louisiana for bringing into the bill domestic parity for rice. It is a very wholesome situation to find that there are others who begin to believe that we must solve the farm problem on a commodity-to-commodity basis. It may not be what we want to do, but I am convinced that wheat, for example, must be handled as a commodity. I think as we study the problems and advance into the future we shall find that our foreign markets will be even more limited than they are now unless we do something constructive. We must work out a commodity program. I commend the Senator for suggesting a program for rice. I expect to support that program.

Mr. ELLENDER. I thank the Senator. I might say that wheat would have been included in a two-price structure, except for the violent opposition to the plan from the administration. Certain members of the administration were opposed to the rice program. I felt that inasmuch as the rice program affects so few farmers, and rice is grown in only 4 or 5 States, we could at least make a start in that direction by giving the two-price plan a trial run on rice.

Mr. CARLSON. I sincerely hope that we can eliminate some of the opposition from those in Government who deal with this problem, because I think what has been proposed is the solution.

Mr. ELLENDER. Does the Senator intend to discuss the effect this program would have on the wheat agreement now in existence?

Mr. CARLSON. I expect to go into that subject.

Mr. NEUBERGER. Mr. President, will the Senator yield very briefly?

Mr. CARLSON. I am very happy to yield.

Mr. NEUBERGER. In the first place, I realize that the Senator from Kansas knows that the great eastern portion of the State which I in part represent is largely a wheat-growing section in the agricultural areas. I am also sure that the Senator from Kansas knows that the wheat growers on those vast areas are very predominantly supporters of the domestic parity plan. While I cannot presume to speak for them, I feel that they are very appreciative of the leadership which the distinguished Senator from Kansas has demonstrated in sponsoring this amendment to the agricultural bill.

Mr. CARLSON. If the Senator will permit me to do so, I should like to have the RECORD show that the junior Senator from Oregon represents a great



wheat-growing State. We in Kansas not only are aware of it, but also appreciate it, because it gives us some real competition in wheat production. The wheat farmers of Oregon are very ably represented in the Senate.

Mr. NEUBERGER. So that I may give one brief boost to our wheat growers in Oregon, I should like to say that recently I heard from a man who had visited Europe. He is an expert on cooking, and writes cook books. He said Oregon wheat was in great demand in Europe for cakes and fine pastries, and that some of the finest pastry cooks of Europe prefer Oregon wheat.

Mr. CARLSON. Of course we in Kansas like to say that Kansas grows the best wheat in the world.

Mr. NEUBERGER. We will not argue that interesting point. I do know that we agree on many points already. I should like to ask the Senator a question on one phase of the issue which he is so ably sponsoring on the floor of the Senate. Is it not accurate to say that today, in very large measure, the farm program has reached what might be called a crisis? In other words, because of the dropping of farm income because of the fact that certain families have had to leave the farm, and because of other critical situations confronting agriculture in general, is it not correct to say that perhaps the time has come for a certain amount of experimentation with respect to farm legislation?

We realize that all legislation which is adopted for the first time is more or less experimental. I care not whether it is social security legislation, national forest legislation, or Federal Reserve legislation, to name a few. That is true regardless of what type of legislation we have in mind. I should like to ask the Senator whether it is not particularly true that the time has come to give the domestic parity plan a full and fair trial.

Mr. CARLSON. If the Senator from Oregon will permit me, I should like to say that he makes a very interesting suggestion when he says it is time to experiment. I am in thorough accord with him. I do not understand how anyone can reach any other conclusion if he studies the wheat situation. We have a billion bushels of surplus wheat, and in order to export any wheat at all we must subsidize its export to the extent of from 60 to 80 cents a bushel. There is some question as to whether there will be another international wheat agreement or an extension of the present one.

Our farmers have taken very serious acreage reductions and a reduction in price support to 76 percent.

It seems to me that that situation presents a picture which requires not only rather drastic action, but also some imaginative action.

Mr. NEUBERGER. For example the soil-bank proposal is to some degree an experiment also; is that not correct?

Mr. CARLSON. The Senator is correct.

Mr. NEUBERGER. Such a program would also be an experiment to some extent; would it not?

Mr. CARLSON. It would.

Mr. NEUBERGER. If it should be adopted, some parts of it might not work out very well and might have to be dealt with in future legislation. Is that not true?

Mr. CARLSON. The junior Senator from Kansas, in introducing his proposal originally, which is now being cosponsored by the junior Senator from Oregon, never felt it was a perfect bill. However, it affords some ground work for legislation which we hope will be helpful.

Mr. NEUBERGER. Is it not also true that of almost all the various farm plans which have been proposed the domestic parity plan has been proposed longer than any other plan? If I am not mistaken, this plan had its genesis in the McNary-Haugen bill.

Mr. CARLSON. That is correct.

Mr. NEUBERGER. I believe it was adopted twice by Congress and vetoed twice. We in Oregon are particularly conscious of the McNary-Haugen bill because one of the most illustrious men ever to represent the State of Oregon was the principal sponsor of the bill. He was the Honorable Charles L. McNary, whom I believe the Senator from Kansas knew.

Mr. CARLSON. Yes; I did know the Honorable Charles McNary. I appreciate his service to the Nation, particularly in behalf of agriculture.

Mr. NEUBERGER. Perhaps the Senator from Kansas will concur in this statement: The wheat growers are to be commended for being willing to take the lead in urging upon Congress and the Nation a program which very largely will get them out from under any program of Government support, certainly in its later stages.

Mr. CARLSON. The amendment, if approved by Congress, will permit the Government to get out from under the program of subsidies and relieve it of growing expenditures. Moreover, it will get the farmers out from under a program of controls and marketing quotas.

Again I say that all that cannot happen immediately. It will take some time to work it out in view of the surpluses which have accumulated and because of some other problems in the national farm picture.

Mr. NEUBERGER. There can be no question that the problem will have to start slowly. In the beginning, undoubtedly there will be some very strict controls. There will have to be. There will have to be acreage controls. However, I know that the people in both our great grain-growing States appreciate that fact when they urge upon us this program.

In conclusion I wish again to thank the Senator from Kansas, who is one of the first fairminded men in the Senate, and to assure him that when his amendment comes to a vote I shall be very happy to serve in the ranks behind his leadership and do all I can to help secure the adoption of the amendment.

Mr. CARLSON. I thank the distinguished junior Senator from Oregon.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. THYE. I wish to commend the distinguished Senator from Kansas for having given us a very thorough explanation of the proposed legislation. I also wish to commend him for his interest and intelligent support of the ranchers and farmers of his State.

We had an example of his splendid service this afternoon, when the Senate considered the bill to refund the tax on gasoline used on the farm. It was the Senator from Kansas who introduced the proposed legislation in the first session of this Congress. It became a part of the 9-point farm program. In the Committee on Agriculture and Forestry we voted it out of committee early this year because we felt we should try to have such legislation adopted immediately in order to give the farmers the benefit of the tax refund during the coming cropping season.

I wish again to commend the distinguished Senator from Kansas for his intelligent and courageous service on behalf of ranchers and farmers.

Mr. CARLSON. I appreciate very much the Senator's kind remarks. It was on March 5, 1955, that I introduced a bill for the removal of the tax on farm-used gasoline. The distinguished Senator from Minnesota was a co-sponsor of that measure. Today that bill was passed by the Senate. I am very happy about it.

Mr. President, continuing with my remarks on the domestic parity plan. I should like to say that the domestic parity plan is simple and its administration would be easy. I would like to review it briefly because apparently there has been some confusion or lack of understanding as to its operation, particularly in high places of Government and by some farm leaders.

First. At the beginning of each marketing year, the Secretary of Agriculture would determine the portion of the wheat crop which would go into consumption as human food. This amount, which for years has been about 500 million bushels, would be the domestic food quota.

Second. The domestic food quota would then be allotted among the wheat farms of the Nation, substantially on the same basis as acreage allotments are now made, except that in this case the acreage would be translated into bushels and the share of each farm would be in bushels.

Third. Each farmer would receive a certificate stating in bushels his share of the estimated domestic consumption of wheat for food.

Fourth. The certificate would have a value in dollars and cents representing the difference between the average market price of wheat—as estimated in advance by the Secretary of Agriculture—and 100 percent of parity.

For purposes of illustration, let us assume that the domestic food quota for a farm—represented by marketing certificates—is 1,000 bushels and that the difference between the estimated market price of wheat and full parity is 75 cents per bushel. In that case, the certificate would be worth \$750.

The marketing certificates would be negotiable drafts on the Commodity



Credit Corporation. They could be issued to farmers ahead of harvesting time, thereby helping them to finance farm operations during the high-expense season. The certificates could also serve to some extent as insurance against low crop yields.

Fifth. The domestic parity plan is self-financing. Each miller or processor of wheat into human food would be required to purchase from the Commodity Credit Corporation certificates covering the total amount of wheat processed for domestic consumption as human food. It would not be necessary for farmers to deal directly with the millers, or millers directly with the farmers, because the millers could obtain the certificates directly from or through the Commodity Credit Corporation.

Sixth. The value of the certificate received by the farmer, plus the price received in the market place for his wheat, will return to the grower the equivalent of full parity on that portion of the crop consumed domestically as food and the competitive market price for that portion of the crop used for feed or export.

The very important advantage that the domestic parity plan has over the present support program is that there will be a real incentive for producers to produce quality wheat—of the type that is in demand in the market place. This incentive would arise from the fact that the value of the certificates would be based on the average price of all wheat. The wheat would actually sell in the market place at competitive prices. Producers with higher quality wheat would naturally receive higher or better than average prices. Thus, unlike the present program or the present bill, quality production would be rewarded according to the value of the wheat determined competitively in the market instead of by Government edict.

I know of no sound opposition which has been raised against the domestic parity plan for wheat. Some corn belt farm spokesmen have expressed the fear that this plan might result in an increase in the total quantity of livestock feed, and thereby adversely affect the price of corn. They contend that if wheat producers are able to get a return equivalent to parity on the part of the crop consumed as food, it will increase their average return and therefore they will expand production and put more wheat into the feed market in competition with corn.

I would be the first to agree that whatever benefits accrue to wheat must not be at the expense of corn or any other crop. And vice versa. To give double assurance that the domestic parity plan will not adversely affect the interests of corn and feed grain producers, authority is contained in my amendment to give the Secretary discretionary power to support the price of all wheat in line with the support price for corn, and that he also have discretionary authority to impose acreage allotments. This authority is also necessary so long as we have the continued large surplus stocks on hand.

Mr. CURTIS. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I shall be happy to yield.

Mr. CURTIS. This domestic parity plan for wheat has some similarity to the program for some other commodities, in that it is self-financing and has the commodity approach.

Mr. CARLSON. That is correct.

Mr. CURTIS. I wish to commend the Senator for his remarks, and, as he knows, I am in favor of his amendment.

Mr. CARLSON. I thank the Senator. The Senator from Nebraska represents an increasingly large wheat growing section which produces a fine quality of milling wheat.

Mr. AIKEN. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. AIKEN. During the past 2 weeks I have received several communications from wheatgrowers in the State of Kansas who apparently believe that if this amendment is adopted they can immediately plant as much wheat as they wish to without restrictions. The Senator does not understand that to be the fact, does he?

Mr. CARLSON. No. I may say to the Senator from Vermont that my amendment provides for operation under acreage restrictions. I think that must be done until some of the surpluses have been eliminated or at least reduced. I hope the time will come when the wheat farmers can operate without such restrictions.

Mr. AIKEN. I am not sure but that perhaps under the language of the amendment they could plant all the wheat they wanted to, but they could not get any certificates.

Mr. CARLSON. Or price support.

Mr. AIKEN. I mention this because the letters which I have received on the subject have come from persons in the State of Kansas, and, without commenting particularly on the merits of the proposal, I have simply informed them that they would still remain under the acreage restrictions.

Mr. CARLSON. The amendment I am offering provides for a referendum.

Mr. AIKEN. The penalty is a little different for exceeding acreage allotments.

Mr. CARLSON. A rather severe penalty is provided for violating marketing quotas. For that reason I think it is a program from which the farmers themselves will receive benefit.

Mr. ALLOTT. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. ALLOTT. Has the Senator from Vermont concluded?

Mr. AIKEN. I am through. I was simply trying to clear up the point, and my question was prompted by half a dozen letters which I have received from persons in the State of Kansas in the past 2 weeks.

Mr. ALLOTT. I should like to ask the Senator from Kansas a question. It is one of the questions which I am sure is causing a great deal of concern to everyone who is giving serious consideration to the Senator's amendment.

If a farmer has an allotment which is already settled by law, and he is then assigned a quota, as would be done un-

der the Senator's amendment, will not the general effect be that the farmer will receive a certificate or certificates for wheat under the quota, for the difference between the amount the wheat is sold for in the market place and the parity? Will not the general tendency be to dump wheat on the market and create a glut in the feed market and thereby cause, perhaps, an increase in the production of livestock, which will, in reality, accentuate other agricultural production?

Mr. CARLSON. I am glad the Senator has brought up that point. I expect to go into it as I proceed. It is a very important point, and involves one of the complaints we hear against the program. It is said that instead of planting, as at present, 55 million acres of wheat, it is hoped to go back to 78 million acres. We have taken 23 million acres out of wheat-growing and are growing, instead, corn, forage, milo, oats, and barley. I am confident that we would have had millions of tons less feed had the land produced only wheat.

It is one of the problems which confront us. The corn producer is greatly concerned about the competition from other feed crops and has suffered seriously, as have cattle and hog producers because of lower prices for livestock. It has resulted in a terrific drop in the farmers' national income. It was shown yesterday that they had lost several billion dollars from 1951 to 1955.

Mr. ALLOTT. It is my understanding—and I think I understand the proposal—that there will not be a return to 70 million acres for wheat, and that there will be no increase in the allotments. We have found that it is very difficult to make adjustments in the agricultural field without doing so at the expense of someone else. The instance cited by the Senator from Kansas was with respect to wheat acreage. The bottom fell out of the cattle market in August or September 1952, and nothing, apparently, was done about it. Yet with a cattle population of 93 million in 1953 and with the price not improving in the meantime, we have a cattle population today of 97 million, which means that the cattle population has increased 1 million head, on an average, each one of the years since that time. So, we have found that the various branches of agriculture are interrelated, and it is a very difficult thing to pick out one grower at the expense of some other grower. I am certain the Senator from Kansas has that in mind. That is why I propounded the question. I have that fear.

Mr. CARLSON. The junior Senator from Colorado has touched on a point which concerns all of us. I am confident that what he has said is the view of the distinguished Senator from Vermont [Mr. AIKEN]. The minute we begin to tinker with the agricultural problem, and attempt to improve conditions in one sector we run into difficulties in other sectors. This is not an easy problem. I sympathize with all those who have worked on the problem, because it is not an easy one to solve.

Mr. AIKEN. Mr. President, will the Senator yield?



Mr. CARLSON. I yield.

Mr. AIKEN. I wondered if the Senator from Kansas had any consultation with the State Department on the possible effects of the two-price system upon our international relations. I realize that we have in effect now a two-price system for the exportation of wheat. I believe the subsidization has gone to as high as 87 cents a bushel, with the average being about 75 cents a bushel under the International Wheat Agreement. I wondered if the State Department had expressed any opinion as to what the effect would be, psychologically as well as economically, because in these days the psychological effect is sometimes even greater than the economic effect.

Mr. CARLSON. I have a letter from the State Department which I shall read. I think the present arrangement is certainly a dumping program. I do not think the program under the domestic parity could be so classified.

Mr. AIKEN. The present program, even if it be called a dumping program, is orderly, and is followed after consultation with other wheat-producing countries. The United States has worked very closely with Canada in the sale of wheat. We refuse to sell wheat to Canada and Russia. Canada sells wheat to Russia. We sell our wheat somewhere else.

The Foreign Agricultural Administration has done a tremendous job. In the past few days they have really taken hold. I think that sales to foreign countries in the past few days have been in the neighborhood of \$200 million. At that rate, we shall reduce our surpluses.

At the same time, there is a little difference between quietly selling at the world market price, and advertising that we are going to unload at a price which the highest bidder will pay. There is a little difference there.

Mr. CARLSON. I do not know that I can agree with the last statement by the Senator from Vermont. It occurs to me that if we sell on the world market and do not try to undercut that market—if we sell at the world wheat trade price—we are not dumping our wheat.

Mr. AIKEN. We are selling and subsidizing under the International Wheat Agreement. I believe we are selling somewhat more wheat this year than we sold last year.

It looks as if the International Wheat Agreement may be on its way out. It has been in existence for some years, and I think it has done some good. But if the United Kingdom and other countries intend to refuse to take part in it, it probably will not continue in existence. The only reason why those countries intend to refuse to go into the wheat agreement is that they think the price of wheat will come down, and that they can buy wheat competitively at a lower price than the price they must pay under the wheat agreement.

Mr. CARLSON. As I understand, Great Britain did not participate in the International Wheat Agreement the last time the United States took part in it.

Mr. AIKEN. She did not; and that made it more difficult for the other participating nations. Great Britain 2 years ago thought \$1.50 a bushel was plenty for anyone to pay for wheat. The minimum price, as I recall, was \$1.55. We have not sold any wheat as low as that. I think the price today is about \$1.75 on the world market, and that seems to be low enough. Even at that, it is necessary for the United States Government to subsidize substantially.

Mr. CARLSON. I had hoped some of the subsidization of wheat at high prices might be eliminated. I do not believe this Nation will long permit the export of wheat at a subsidy which runs to 87 cents a bushel. Some persons are talking about a subsidy of \$1 a bushel.

Mr. AIKEN. No; I don't doubt if such a program could be maintained very long. I think Great Britain was willing to go along with the agreement while she thought some progress might have been made on the open market. We have been holding an umbrella over our prices on wheat, and also other prices, as well, such as on cotton.

Egypt, by selling cotton, which is under our price umbrella, has been cutting down on her own market, because there is a level above which either people do not buy as much, or substitutes move in. That has been true of cotton. I am certain. I do not know what substitute there might be for wheat, other than rice and some of the other grains.

Mr. CARLSON. I do not have the figures available, but if my information is not incorrect, there are foreign countries which are subsidizing their wheat at a higher percentage in dollars than we are.

Mr. AIKEN. There are many foreign countries which are subsidizing wheat, and that is partly the result of a fear of war. They do not want to get caught again. They want to stop the sale of wheat, which is a very important war grain. On the other hand, I think they have subsidized in an effort to become independent of higher prices which have been charged throughout the world, and we have taken the lead in that program. Some producing countries have subsidized, but they have ways of manipulating the subsidization so that no one knows—at least, I do not know—what it costs them to do it. Some countries subsidize their programs at very high prices. I think some of them have engaged in uneconomic subsidization.

Mr. CARLSON. I am in accord with the Senator's statement.

Mr. MORSE. Mr. President, will the Senator from Kansas yield, so that I may ask a question of the Senator from Vermont?

Mr. CARLSON. I yield.

Mr. MORSE. Does the Senator from Vermont have at his tongue point the amounts of wheat, if any, which came into this country from Canada in the last 2 or 3 years?

Mr. AIKEN. There has been very little in the last 2 or 3 years. Some wheat goes back and forth across the border. There was a 3-year period when 66 million bushels came into the United States

as feed wheat, but which actually was misused. The importation of wheat to the United States has dropped to a low point. The importation of oats has dropped now to a negligible point. In my section of the country, where formerly large quantities of oats were imported from Canada, oats are now coming from Ohio, and even from as far west as Iowa. Oats have become plentiful in the United States, and the tendency is to buy them in this country. Furthermore, we are now producing better oats in this country. One reason why we went to Canada for oats a few years ago was that heavy oats, which were worth more, could be obtained there.

Mr. CARLSON. On February 24, the Senator from New Mexico [Mr. ANDERSON] placed in the RECORD a table entitled "Wheat: Production, Stocks, Markets." In view of the question asked by the senior Senator from Oregon, I note the following:

The imports of wheat for the years 1935 to 1939, average, were 14.2 million bushels. The 1945 to 1949 average imports were 1.2 million bushels. The 1950 to 1954 average imports 15 million bushels. The imports in 1953 were 5.5 million bushels. The imports in 1954 were 4.4 bushels. The estimated imports of wheat for 1955 were 4 million bushels.

I think those, without doubt are official figures, and should clear up the Senator's question.

Mr. AIKEN. I believe a large amount of that wheat is feed grain, which moves close to the border.

Mr. YOUNG. A little of it is seed wheat. Canada has sent about 2 million bushels of this wheat, much of which we didn't need, into North Dakota alone. It is Selkirk seed wheat. We have plenty of it ourselves. It can be treated and sent over the border as wheat unfit for human consumption, and thus get by our import regulations.

North Dakota farmers are selling their seed wheat and are buying wheat all cleaned and treated for less than they can produce it.

Mr. AIKEN. I think the importation is down to a minimum for what we need in trading back and forth.

Mr. CARLSON. The table to which I have referred, which appears in the RECORD of February 24, 1956, is an excellent one and contains figures on the imports and exports of wheat.

Mr. AIKEN. I think the importation of good wheat for milling purposes has been practically prohibited ever since about 1942. I believe President Roosevelt placed that ban into effect. The only wheat which now comes into this country is supposed to be either for feed or for seed, except for a very small quantity.

Mr. CARLSON. Mr. President, I ask unanimous consent that the table which appears on page 2907 of the RECORD, and which was inserted in the RECORD by the Senator from New Mexico [Mr. ANDERSON], may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:



*Wheat: Production, stocks, markets*

[Million bushels, except as otherwise indicated]

| Crop year beginning July 1                                               | 1935-39<br>average | 1945-49<br>average | 1950-54<br>average | 1953    | 1954    | 1955 esti-<br>mate |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------|---------|--------------------|
| Carry-in.....                                                            | 154.5              | 193.2              | 508.3              | 562.5   | 902.4   | 1,020.6            |
| Production.....                                                          | 758.6              | 1,202.4            | 1,090.7            | 1,169.5 | 984.8   | 938.2              |
| Imports.....                                                             | 14.2               | 1.2                | 15.0               | 5.5     | 4.4     | 4.0                |
| Total supply.....                                                        | 927.3              | 1,396.9            | 1,614.0            | 1,737.5 | 1,891.6 | 1,962.8            |
| Domestic consumption <sup>1</sup> .....                                  | 692.7              | 759.1              | 656.6              | 618.6   | 597.3   | 623                |
| Exports.....                                                             | 53.3               | 415.4              | 329.9              | 216.5   | 273.7   | 275                |
| Total disappearance.....                                                 | 746.0              | 1,174.5            | 986.5              | 835.1   | 871.0   | 898                |
| Carry-out.....                                                           | 181.3              | 222.4              | 627.5              | 902.4   | 1,020.6 | 1,064.8            |
| United States exports as a percentage of world trade (percent).....      | 8.8                | 47.6               | 34.3               | 24.7    | 29.1    | 29                 |
| Calendar year                                                            |                    |                    |                    |         |         |                    |
| Per capita civilian consumption of wheat flour (pounds).....             | 157                | 144                | 129                | 126     | 124     | 121                |
| Per capita civilian consumption of wheat breakfast cereals (pounds)..... | 3.3                | 3.2                | 3.1                | 3.1     | 3.1     | 3.1                |

<sup>1</sup> This is a residual figure.<sup>2</sup> Based on the following statement: "World wheat trade in 1955-56 may approximate that of 1954-55."—The Wheat Situation, WS 146, Oct. 31, 1955, Agricultural Marketing Service, U. S. Department of Agriculture.

"Practically all our wheat and flour exports now move only under direct subsidy or under special export programs."—Economic Report of the President, January 1956.

|                                                                                         |       |
|-----------------------------------------------------------------------------------------|-------|
| United States quota under International Wheat Agreement, 1955-56 (million bushels)..... | 196.5 |
| Total export quota under International Wheat Agreement, 1955-56 (million bushels).....  | 395.0 |
| United States quota as a percentage of total quota (percent).....                       | 49.8  |

## Cost of Wheat Agreement subsidies to United States:

|                       | Total cost    | Cents per<br>bushel |
|-----------------------|---------------|---------------------|
| 1950-51.....          | \$178,179,517 | 67.0                |
| 1951-52.....          | 166,928,526   | 65.5                |
| 1952-53.....          | 138,990,015   | 54.3                |
| 1953-54.....          | 55,893,000    | 47.0                |
| 1954-55.....          | 98,482,076    | 74.8                |
| 1955-56 estimate..... | (*)           | (*)                 |

\* Subsidy rates on Jan. 30, 1956, were 66 to 87 cents per bushel, depending on port, type of wheat, and destination.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. MORSE. I wish to say to the Senator that I highly commend him for the statement he is making in support of the amendment. As he knows, I am one of the cosponsors of the amendment, and he and I each have pending before the Senate a separate bill on this subject matter. The bills are almost identical, the differences being only in the administrative procedural provisions.

Tomorrow I shall make my major speech on the farm legislative program, a section of which will be in support of the Senator from Kansas proposal for the so-called two-price system for wheat.

I have been very much interested in the questions put to the Senator from Kansas by the Senator from Colorado and the Senator from Nebraska, and also in the remarks of our friend, the Senator from Vermont. I think this afternoon the Senator from Kansas is entitled to this very brief sentence or two from me in support of his position, because the record ought to bear out what he says, that the wheatgrowers are desirous of cooperating in every possible way in working out a procedure which will not do what the Senator from Colorado pointed out we must be on guard against, namely, simply moving a problem from one segment of agriculture to another segment of agriculture. The wheat farmers have no desire to put their problems on the backs of cornrowers, for example. They only take the position that their segment of agriculture should not be forced to carry an unfair load.

What we are fighting for, in the proposal of the Senator from Kansas, is really the application of one of the provisions of the old McNary-Haugen bill. There are some who believe that if, years ago, we had adopted some of the major

provisions of the McNary-Haugen bill, we might not be in the farm trouble we are now experiencing.

As the Senator from Kansas has pointed out, the wheat producers are perfectly willing to go along with any reasonable allotment program, which is a pretty reliable test of their good faith. They are not asking to be allowed to do anything they want to do with respect to production. They will go along with acreage allotments, but what they are trying to point out is that if we continue the program we are now following, we may very well wake up, in the not too distant future, in a time of great crisis, and find we have no breadbasket.

We hear much, as I shall point out tomorrow, said about our having excess wheat, but that situation has been exaggerated out of all proportion. If we should get into serious international difficulties we would find in a few months that we did not have enough wheat.

The proposal of the Senator from Kansas is a very fair and reasonable one. Something has to be done to stop the economic depression which the wheat farmers are now suffering. When we deal with that segment of our agricultural economy, we deal with a farm operation which requires a terrifically high capital outlay. Take the cost of producing wheat in the dry farming areas, with which the Senator from Kansas is very familiar. There is required an extremely high investment in machinery alone, for which the wheat producer has to put himself in debt. We cannot expect producers to continue to run the risks we ask them to undertake, with the present falling scale of income from wheat production.

I wish to commend the Senator from Kansas. The Senate has before it a program which is workable. The Senator from Kansas and I did not draft it; it

was drafted by experts in the field of wheat production. In my State it is a program which is strongly recommended by the Oregon Wheat League. I did not endorse it until I was satisfied it was a sound proposal. I commend the Senator for what he is doing, and say to him that I am very proud to be associated with him in his attempt to do justice to the wheat producers.

Mr. CARLSON. I appreciate the comments which the Senator from Oregon has just made. He represents a great wheatgrowing State in his own right. We folks in Kansas look to Oregon as not only one of the great wheat-producing States, but one which gives us stiff competition. We appreciate the problems not only of the State of Oregon and of the State of Kansas, but of all the wheat-producing sections of the country.

I am personally convinced we will not solve the wheat problem until we deal with the entire agricultural problem on a commodity basis. We have to handle it on the basis of each farm commodity. We have been trying to deal with the problem on an across-the-board basis by fixing parity prices, acreage allotments, or marketing quotas on all commodities. We are going to have to proceed on a commodity basis.

I was pleased to note that the Committee on Agriculture and Forestry wrote into the bill a provision treating rice as an individual commodity. I think that is the proper way to begin such a program.

I am sure the Senator from Oregon will agree with me when I say that we do not regard the program we propose as being perfect. We have presented a program prepared by men who are familiar with wheatgrowing and with the processing and exporting of this crop, which is one of our great agricultural commodities.



For instance, in the State of Kansas, the Kansas Wheat Growers Association favored the program at their State convention. The National Grange has favored it. The Kansas State Farm Bureau at its State meeting endorsed it. So we have support for the proposal from persons who are really interested in agriculture.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. CARLSON. I am happy to yield.

Mr. MORSE. It is also my understanding that the Secretary of Agriculture has changed his position somewhat with regard to the proposal we have submitted. Whereas until recently the Department of Agriculture filed adverse reports on it, the Secretary of Agriculture said, at a meeting of the Oregon Wheat League some days ago, in effect—I do not quote him verbatim, but I am sure I paraphrase his remarks accurately—that he thought there was considerable merit in the proposal made, and he suggested there be a postponement of its consideration for a year, until the Department could give it more study and until there could be a fuller understanding and greater support of the proposal. I think that indicated a considerable shift of position on his part.

My only response now is what it was at that time, that the wheat farmers should not be asked to wait a year, because the need is immediate, and if we have before the Senate a proposition which is sound in principle, we think it ought to be made part of farm legislation this year.

Mr. CARLSON. I am glad the Senator from Oregon made that statement. I have not tried to quote the Secretary of Agriculture on this matter as I have interpreted what he said in previous meetings regarding the plan we have submitted. I think the Senator from Oregon has stated the position of the Secretary of Agriculture accurately, to the effect that the Department at least is sympathetic toward its consideration and has some hope it may secure approval in a year or so.

The amendment we shall offer could not become operative until 1957. Then it would go into effect on the basis of a referendum, in which I believe the wheat growers should be permitted to vote.

Mr. President, before I yielded, I was stating, in regard to corn, that certainly we did not want to do anything which would adversely affect the corn and feed producers.

If they will but thoroughly analyze the situation, corn producers actually have no reason to fear the domestic parity plan for wheat, because if the domestic parity plan did result in expanded wheat acreage, it would reduce rather than increase the total supply of feed grain. This is because an acre of wheat produces less feed than it does when it is planted to corn or other feed grains.

In 1954, we produced approximately 37 percent more feed on acres diverted from wheat than would have been produced had the same acres been used for feed-wheat production. Feed-grain tonnage in the form of oats, barley, and grain sorghums in 1955, on the land taken out of wheat, was over 50 percent greater

than it would have been if the acreage had remained in wheat.

On the basis of last August 1 figures, the increase in production of oats, barley, and grain sorghums in 1955, over the 10-year average—1944 to 1953—was 558 million bushels, or 11.1 million tons, while the reduction in wheat production in the same period was only 243 million bushels, or 7.3 million tons. I know that figures such as these are hard to grasp; but in essence these figures show that as acreage is taken out of wheat, which is required under the present program, it actually results in increasing the total supply of feed grains, whereas, increases in wheat acreages decrease total feed grain supplies, even if all the wheat produced on the increased acreage is used for livestock feed.

If corn producers wish to reduce or prevent surplus feed supplies, they would be well advised to advocate and support the domestic-parity plan for wheat.

Some who have attempted to oppose the domestic-parity plan for wheat have charged that in some way it would result in dumping wheat in the world market, and thereby offend our international friends. Charges of this character appear to be based on emotion, rather than on fact. The word "dump" is an ugly word. It is calculated to stir up unwarranted fears.

The domestic-parity plan, which will enable American farmers to obtain from American consumers fair compensation for the wheat consumed as food, can in no way constitute dumping. Wheat will move into the domestic market and into the world market at competitive market prices. There will be no export subsidies, under the domestic-parity plan, as there is now under the current program, unless some stop-loss price support is required under the whole program because of the huge surplus stocks on hand.

Actually, the domestic-parity plan will provide the means for the eventual elimination of the program of dumping, which is currently going on and which is inherent in either the present flexible or the rigid support program, as both of those programs require millions of dollars of taxpayers' money to subsidize American wheat into export markets of the world.

During the last 6 years we have expended \$771 million on wheat-export subsidies. Under the operation of the domestic-parity plan, all export dumping would be completely eliminated, since public funds would not be used or required for subsidizing exports, once the plan is fully under operation.

If there is any better plan than the domestic-parity plan for meeting the problems confronting the wheat producers today, I certainly do not know of it, and it certainly has not been presented to the Senate for action.

In summary, the domestic-parity plan would result in the following advantages to wheat farmers, other agricultural producers, the grain trade, the Government, and the general public:

First. Wheat farmers would regain their historic right to compete fairly and on a quality basis in the markets of the world, without being compelled to

sacrifice their income protection in the domestic market; they would be relieved of otherwise unavoidable pressure for future curtailment of acreage, and, at the same time, the declining trends of their income would be halted; they would no longer have to rely upon the appropriation of public funds for subsidizing exports, whether under international agreements or otherwise; the elimination of marketing quotas would restore greater freedom of initiative in the planning of farm operations in accordance with changing production and market conditions; producers of varieties and types of wheat not wanted in the market place would no longer be receiving the same price protection as that received by the producers of quality wheat—the types of wheat demanded by mills and preferred by exporters; there would be greater reward for quality production than under present programs; and the resulting incentives for raising the overall quality of the United States wheat crop would put back the United States into international wheat trade as a historic competitor on a quality basis.

Second. Other agricultural producers would be relieved of the pressure of acreage diversion from wheat to other crops for which price supports are available for unlimited production; and since as a direct result of the stringent acreage and marketing controls imposed on wheat under present legislation, the acreage and production of feed grains other than corn increased to all-time record proportions, and extensive displacement of corn in livestock feeding by oats, barley, and grain sorghums, has made corn price supports ineffective; and since excessive supplies and depressed prices of feed grains are substantially responsible for the present low levels of livestock prices; and since an acre of wheat produces less feed than an acre planted to corn, oats, barley, or grain sorghums, any increase in wheat acreage such as may result under the operation of the domestic parity plan, would reduce the total supply of feed grains, even if all the wheat produced on the increased acreage were used for livestock feed and, by so checking the tendency of feed grain supplies to increase at a faster rate than livestock production is capable of expansion, would impart greater stability to all segments of agriculture directly or indirectly affected by the present plight of producers of corn and livestock products.

Mr. MORSE. Mr. President, will the Senator from Kansas yield at this point?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Kansas yield to the Senator from Oregon?

Mr. CARLSON. I yield.

Mr. MORSE. I think the Senator from Kansas has made a very important point, because we have heard considerable objection to the use of a two-price wheat program, and it has been stated that such a program will have a disastrous effect on corn. But, on the basis of the acreage allotment system which already has been put into effect in respect to other farm commodities, the corn producers have seen a tremendous



increase in the production of barley, oats, and the other competing grains.

On tomorrow, I shall state for the RECORD the figures in connection with that situation, and I shall comment on it at some length. But at this time I say, most respectfully, that I think the corn producers are really crying before they are hurt, insofar as wheat is concerned, because the corn producers have already been very badly hurt from the standpoint of the production of oats, barley, rye, and the other competing grains. Under this program we really shall have an acreage allotment plan or program which will protect the corn producers from the wheat producers, in that as wheat acreage is taken out of production, the corn producers will not find that acreage being used for the production of competing grains.

That is a point which needs to be stressed during this debate, because it is a point which is very much overlooked. If the corn producers wish to protect themselves, in my judgment they should favor this program, rather than the present program, because the present program has resulted in increasing the production of competing grains.

Mr. CARLSON. There can be no question about that. The corn producers will be much better off under the program we propose. If the acreage devoted to other feed crops or grains is increased, such increased production must be fed to livestock. In that way the market for feed grains in the great feed-grain-producing States will really be destroyed.

Mr. MORSE. That is correct.

Mr. CARLSON. Third. The grain trade would directly benefit from the large-scale withdrawal of the Government from the marketing functions it now performs in buying, warehousing, and merchandising an ever increasing portion of the wheat crop in direct competition and interference with private enterprise; and the reestablishment of one open market price and the unrestricted movement of all wheat through all stages of marketing, domestic and export, would restore to the wheat trade its traditional marketing functions on a free and competitive basis.

Fourth. The Government would be relieved of appropriating large amounts of public funds for operating a subsidy system under which the entire wheat crop is supported domestically at prices substantially above export and world prices, and subsidized into the export market at lower prices; marketing quotas would be dispensed with, thus obviating the need for special legislation to exempt for marketing quotas, producers who wish to grow wheat for feed; and the Government could withdraw from the extensive purchasing, warehousing, and selling activities in which it is now engaged.

Fifth. The general public would be relieved of the burden of wheat export subsidies, amounting to \$200 million, annually under the present program, and of the cost of aimless, excessive and wasteful storage operations, amounting to another \$200 million annually.

Under my amendment, the domestic

parity plan would not be forced on wheat farmers against their will. My amendment merely provides that wheat farmers have the opportunity of putting the domestic parity plan in operation through a majority vote of the wheat farmers of the Nation.

Mr. President, I appreciate very much the opportunity I have had to present this matter to the Senate. I believe our proposal is important, not only for the wheatgrowers, but also for agriculture generally.

When my amendment comes up for debate and for vote, beginning Thursday of this week, I shall solicit the support of other Senators for the amendment.

Mr. MORSE. Mr. President, will the Senator yield for one further comment?

Mr. CARLSON. I am glad to yield.

Mr. MORSE. Again I commend the Senator for what I think is a very able argument in support of the amendment. I think the chairman of the committee [Mr. ELLENDER], in bringing before the Senate a bill containing, with respect to rice, the principle of the amendment, has honored us by at least recognizing the economic soundness of our position. I hope before the debate is over to win over my friend from Louisiana to the point of applying the principle to wheat, as well as rice. I think it is sound for rice. I think it is equally sound for wheat.

The last point I wish to make is with regard to the observation the Senator from Kansas made concerning the subsidy payments we are now making to producers of wheat. Under the proposed program we would eliminate such payments. In my judgment we would do something else. I shall discuss this point further tomorrow. I think we would strengthen our position in international relations. In my opinion one of the long-time results will be to get wheat into certain sections of the world which need wheat, and where wheat is not now being sold.

I know the old argument that if we follow a program of foreign trade in respect to wheat under some such proposal, whereby we may get wheat into sections where it is not now used, at some sort of so-called dump price, we will upset the world-wheat market. I think that is plain nonsense. We are not going to upset the world wheat market by getting wheat into an area where mouths are not being adequately fed at this time. What we need to do with surplus wheat is to get it into those areas of the world where wheat is not now used, where millions of people get no wheat at all.

I do not find myself weeping any crocodile tears over Canada, Australia, and the British Empire, with their argument that if we follow a sound foreign shipment program with respect to wheat we are going to upset the world wheat market. The test is, Is wheat getting to those people at all? The answer is that it is not. From the standpoint of a peace offensive, and from the standpoint of winning some badly needed good will in certain sections of the world, I think it is time to get some of our surplus wheat into those sections. If we

could have our amendment adopted, and place wheat production on the sound basis provided for in the amendment, it would not be long before we would find some of the surplus wheat having a better chance to get to those areas of the world where no wheat is going at the present time.

I cannot reconcile with the great moral obligations which we owe as a Christian Nation our failure to put wheat where people can use it, and prevent the starvation and bad nutrition now prevalent in those parts of the world where we must win the fight for freedom.

Mr. CARLSON. I cannot conceive that this would be a dumping program. If we sell wheat on the world market, at the world market price, we are not dumping wheat. At the present time we are dumping wheat. The only way we can sell any wheat is to pay a subsidy as high as 87 cents a bushel, probably averaging 61 cents. We have already spent \$751 million in getting wheat into foreign markets. If that is not dumping, I do not know what dumping is.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated March 5, 1956, addressed to me by the State Department, with relation to my amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, March 5, 1956.

The Honorable FRANK CARLSON,  
United States Senate.

DEAR SENATOR CARLSON: I have received your letter of February 28 and thank you very much for forwarding the report made by the group participating in the recent special meeting on wheat programs.

The statement of the group and the recommendations reflect a great deal of thought. I have read the study with much interest.

I am sure that you and the others who have devoted so much attention to the serious problems in wheat have taken full account of the relationships and interaction in the world wheat situation which have a prominent place in the thinking I can bring to the overall problem.

As you know, there is a general correlation between the price of United States wheat and other wheat competing in international trade. This general relationship will probably be reestablished in the event of a reduction of the export price by a major supplying country such as the United States or Canada. The total of world export does not seem likely to respond substantially to reductions in price unless the reductions are very large.

If action should be taken to place the support price for United States wheat at a level below the then prevailing level of prices in international trade, the volume of production in the United States could be expected to be the full amount of remunerative production which could be marketed at the support level, subject to whatever acreage allotments or marketing quotas might be in effect. The prospective results in the international trade would be that the United States and the exporting countries in the aggregate would then be exporting approximately the same quantities but at lower prices.

I thank you again for forwarding the material concerning the amendment under consideration.

Sincerely yours, •

C. W. NICHOLS,  
Chief, International Resources Division.



Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared on the subject of the pending farm bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OUR AMERICAN FARMERS—1956

(Statement by Senator POTTER)

If there has been an occasion in the history of our country when all men of good intentions must rally together for the common good \* \* \* this is it. The freedom and liberty of the American farmer is endangered. The entire way of life of the farmer is being challenged. The keystone of our individuality and free-enterprise system is being pruned from its place. Perhaps some might think that this is too dramatic a way in which to speak of our farm problem today. But I am confident that you will agree as we carefully analyze the symptoms, causes, and cure of the illness of our farm economy.

I am sure we know—and all right thinking people will readily agree—that our American economy cannot prosper in the fields of business, and industry while it is at the same time wasting away in agriculture. The different segments of our economy are like the ingredients of a loaf of bread. They are all blended together and the loaf will be either all good—or all bad. We recognize that the problem of the farmer is also the problem of the businessman, the laboring man, and of legislators who represent all those people.

Not only is the current farm problem one which should concern us for reasons of our own internal welfare, but it is of international concern. As in the fields of political philosophy and in armaments—yes, even in sports—so are the Communist countries of the world now challenging our economic system. This is the race we cannot afford to lose.

So let us squarely face the issue. Basically, our farm problem is very simple—a demand for farm products which is swamped beneath mountainous oversupply. The solution to the problem is also basically simple—bring supply into balance with demand. The means of doing this is not simple and requires hard and honest effort by all of us.

This problem should not be political and the solution should not be political. The farmers will be hurt if this problem is treated in a political way rather than in a straight economic way. The problem belongs to all of us. Working together calmly and intelligently this problem of oversupply can be brought under control and the farmer can again enjoy a healthy, normal market for his products.

Let us not kid ourselves. We cannot travel in opposite directions at the same time. We cannot continue to artificially stimulate gross overproduction with 90-percent rigid supports on basic commodities and at the same time eliminate Government surpluses and restore a normal market. Remember: "A Government storehouse is not a market."

In tracing the history of high rigid supports we see that they were created for a purpose. They served a need. But that was a need created by a wartime economy. The war is gone. That need is gone. Rigid supports should have gone too, but they were retained through the 1955 harvest. The instrument of rigid supports which was created to be of assistance to the farmer ran amuck and turned against the farmer. Like the broom of the sorcerer's apprentice, it threatened to drown the one whom it was supposed to help. It is proposed now to reinstate them. If this is done, they will drown our farmers economically—drive them

from their lands—bring chaos into our economic system and threaten our American freedoms.

The great majority of people—and especially the farmers themselves—realize that continued high rigid supports on basic commodities will literally swamp us. The terrible surpluses will continue to grow and grow, plunging the market deeper all the time for wheat and corn, tobacco, cotton, and peanuts. And that's only half the story. As the grain surpluses flow unchecked into the feed market, more and more livestock is raised—meat, milk, poultry, and eggs are produced in oversupply and that market too is ruined.

I would like to use my own State of Michigan as an example of the hardship and injustice created by high rigid supports of the basic commodities.

Legislation capping for restoration of 90 percent rigid supports on basic commodities mean that the folks of Michigan are getting scalped with a two-bladed hatchet. First, we are paying for such supports for other States which are the major producers of the basic commodities and not realizing the benefits ourselves. Only about one-eighth of Michigan's farm income is derived from the high rigidly supported basic commodities. As taxpayers, Michigan farmers are paying for the high rigid supports but as farmers we don't get much of it.

Secondly, with huge surpluses of grains being dumped into the livestock feed market more and more meat, milk, poultry, and eggs are produced—and, as I said—surpluses again are created and prices go down here. That is where the farmers of Michigan are really hurt for almost 60 percent of Michigan's farm income is derived from livestock, poultry, and dairy products—which do not have high rigid supports.

Now, lest anyone should believe that I am thinking only of the interest of my own State let me point out that Michigan is typical of most States rather than being the exception.

Look at the facts:

Of the 48 States in the Union—43 of them receive over 30 percent of their farm income from livestock and allied products \* \* \* without the high rigid supports.

Yet only 3 States receive over 30 percent of their farm income from wheat, only 6 States receive over 30 percent of their farm income from cotton, only 6 States receive over 10 percent of their farm income from corn, only 2 States receive over 25 percent of their farm income from tobacco, only 4 States receive over 2 percent of their farm income from peanuts, and these would be supported at 90 percent under the Ellender bill.

Those are the facts taken directly from the United States Department of Agriculture report of 1954. I do not state these facts as a means of setting one State's interest against another. That would be a selfish and narrow approach. And it would be most unseemly for us to consider this problem in such a way when our American farmers themselves look at this problem in its broadest aspects. Certainly there is the highest measure of statesmanship and national interest displayed by the great majority of our farmers. I believe that the attitude of our American farmers is well summed up in these words from the 1956 policies of the Michigan Farm Bureau: "Far more than our own selfish interests are involved. We are not merely farmers. We are citizens with a deep and abiding concern for the general welfare and for the preservation of those precious liberties which constitute our American heritage."

Last fall I spent several months going from one end of Michigan to the other. I talked to folks from all walks of life, laboring men, businessmen, professional people, and of course to many, many farmers. And I was impressed with two things.

First of all, what we call the farm problem is not a problem, not one problem. It is more than that. It is a composite state of affairs which involves a certain field of business, a way of life, and, most importantly, our national welfare. Our true farmer's business is not just a place to which he reports for work. It is his home, his work, his life. He doesn't produce just a single product but a number of interdependent products. Unlike many other businesses he cannot directly control either the price he pays for his needs nor the price he can get for his products. What happens to our farm economy will have its effect on everyone else's economy. History has shown that economic trouble for the farmer means trouble for the whole country. It's all tied together. It's a big and complex situation—and it's our problem—it does not involve just the farmer—but all of us.

Secondly, I have been constantly heartened and cheered by the wonderful attitude of our farmers. They are honest—with themselves and with others. They are realistic. They are looking the problem squarely in the eye. They are not asking for a magic solution. Our farmers are not greedy or lazy. They know that the job of restoring a free and normal farm market is going to be a hard and perhaps long job. They are willing to tackle it and to see it through in order to accomplish the objective.

My mail from Michigan farmers is almost unanimously against 90 percent rigid price supports. Let's listen to what these farmers themselves have to say:

A farmer from Aibion, Mich., writes:

"It has been brought to my attention that flexible price supports of from 75 to 90 percent of parity for dairy products are in danger of being replaced with higher and more rigid support in the pending farm bill, S. 3183, now being debated in the United States Senate. We have had the high, rigid price supports and find that they do not work out. We would like to have the bill that President Eisenhower and Secretary Benson are in favor of."

From Fennville, Mich., this farmer tells me:

"I have never seen a Government subsidy or support program that didn't turn out to be a bonanza to the big farmer who didn't need it and did very little for the poor little farmer who is supposed to need it. \* \* \* I, for one, don't believe that farmers are going to sell themselves to the highest bidder. \* \* \* There have been a lot of lives sacrificed and hardships suffered for the freedom we have in this country of ours and I know a lot of farmers that realize this are ready to fight for the preservation of that freedom."

A letter from Caledonia, Mich.:

"I believe the bill the President wants is by far the best. There is no need to pass a bill with the land bank and also the 90 percent of parity. Leave off the support section. If left alone, the farmer will make out all right. \* \* \* Let's get the Government out of farming and storage as soon as possible."

A Kalamazoo man writes:

"I thought that you might be interested in knowing that in all the farmer meetings there seems to be a feeling that any program which would add to the holdings of farm products by the Federal Government would not be helpful, and that the 90 percent parity support was not the best way to get the Government out of the farm-storage business. The feeling seems to be that this rate of support would wreck any good coming from the soil-bank program."

From Saginaw this writer says:

"As a practical farmer and professional agronomist, I should like to take this opportunity to endorse the Eisenhower Republican nine-point farm program. I strongly urge that the 90-percent parity features be stricken from any pending legislation. I should



also like to express my full confidence in Secretary Ezra Taft Benson."

These are the farmers who live on their land and work that land and give the Nation its food and clothing. Their interest is not just for today \* \* \* but for the years to come. They are preserving an important heritage for all of us. We must work with them to help them. We cannot fail to recognize the squeeze in which our farmer now finds himself. Each day he goes out to buy machinery, fertilizers, and the hundreds of commercial items which he needs to run his modern farming plant he finds the cost goes up and up and there's nothing he can do about it. At the same time when he takes the products which he is producing on his farm into the market place he finds that the price which he can receive for those is going down and down. It would be a very pleasant thing if 90-percent rigid supports would provide the answer to our problems. My own position has long been that farmers should receive 100 percent of parity or more than that, but he should receive his 100 percent or more of parity in the market place rather than from the Government. In reality, we find then that a 90-percent rigid support is not a floor under the farmer but a lid over his head. We want and need our citizen-farmers who live on their land. We must not injure them in order to bestow rich rewards on huge corporation-type farms and wealthy storage terminals.

It is no secret that whenever Government money and influence is extended into a field of private enterprise Government control goes with it. The spreading imposition of production and marketing curbs necessitated by the rigid price supports legislation has brought many farmers and processors face to face with the hard economic fact that high rigid price supports and rigid controls are the Siamese twins of agricultural policy. If you drink that brew, you must endure the hangover.

When production and marketing controls are imposed, they always strike hard at the small farmer. It is true we have minimum acreage allotments below which a farmer will not be reduced. Under this system the biggest relative cuts are taken by the large producers. On the other hand, the minimum acreage allotments established are usually so low that an individual farmer finds it impossible to make a decent living for himself and his family on his minimum acreages.

For example, how can a wheat farmer ever look to an opportunity for adequate living when he is guaranteed only 15 acres of wheat base? Or how can a burly tobacco farmer in Kentucky ever look forward to anything for himself and his family on his five-tenths of an acre allotment? A cotton farmer who is throttled down to 2 acres of cotton finds it impossible to make a decent living regardless of the level of price supports. For these people we can set the level of price supports at 150 percent of parity and still not guarantee them an adequate living. They need an opportunity to produce, they need to know that if they are efficient and ambitious they can expand their production and therefore increase their income.

A high price guaranteed by the Government means nothing if that same Government removes from them the right to produce. Their incomes fall. Living standards suffer and disillusionment follows. What do these small farmers then do? They are forced either to resign themselves to a miserable level of living or to seek employment off the farm. Now, if they seek employment off the farm many of them would drive anywhere from 25 to 50 miles each way daily for off-farm employment, and then do their farming operations on weekends and evenings. After a while their principal source of income may be off the farm and farming operations become more

or less incidental. But at that point their production begins to compete with the farmer who is spending all his time on the farm and whose farm is his principal source of income. Then, the farm situation is still further complicated. And still more small-sized farmers are forced either into liquidation or into seeking additional off-farm employment. And so this vicious cycle goes on and on with large numbers of our farmers being forced to either take up outside occupations or leave their farms completely.

All this being the result of a system that set out initially to improve our farmers' income. It is this small farmer who needs the most help. But does the small farmer get the most help from high rigid supports? The answer to that is: "No; definitely not." The great bulk of price-support assistance by the Government goes not to the small farmer but to the large farms and often the corporation-type farms, absentee owned. For example, a year ago of all Government loans made on wheat, just 1 percent of such loans received 12 percent of those dollars. Of all loans on cotton 1 percent of those loans received 15 percent of those dollars. On corn 1 percent of the loans took 6 percent of the dollars. On oats 1 percent of the loans got 11 percent of the dollars. On barley 1 percent of the loans received 24 percent of the dollars. And so it goes—1 percent getting 8 percent of the money on flaxseed—1 percent of the loans taking 11 percent of the money on grain sorghums—1 percent of the loans getting 8 percent of the money on soybeans. These figures are indicative of the extent to which Government price assistance goes to the big farms. It is obvious why this is so. A small farmer limited to a couple acres of cotton, 10 acres of wheat, or 15 acres of corn has insufficient total production to benefit very much from any Government program guaranteeing price.

One major difficulty with the rigid price-support program is that too much of the benefits have gone to large farmers. This is one question on which there appears to be almost unanimous agreement in the debate on the farm program.

This undesirable condition is due to two factors:

One factor is that the size of our farms has increased rapidly in recent years.

The other factor is that there has been no limit on the amount of price support that any one farmer can obtain if he complies with any acreage allotments which may be in effect. Large farmers usually have large allotments. As a result, acreage allotments do not prevent large farmers from getting big price-support loans.

Under these conditions, it is not surprising that the Government has made some relatively large loans to individual farmers and that these loans have represented a significant portion of our total price-support activity. These large loans have been fully in accordance with the provisions of the law which gives the Secretary of Agriculture no discretion in the matter. This law was inherited by this administration. The Secretary of Agriculture must make these loans, regardless of their size, if all other eligibility conditions are met.

The Department of Agriculture has made some studies of the size of individual loans. These studies show these startling facts about the way in which big farmers have benefited unduly from the 1953 crop wheat and cotton programs:

Wheat: There were 27 CCC loans in wheat which exceeded \$100,000 apiece. Of these, 3 exceeded \$300,000, with the largest loan to any individual producer amounting to \$350,000. Altogether in 1953, the largest 1 percent of the loans made used up 12 percent of all the dollars loaned on wheat. The largest 5 percent of all loans used up 31 percent of all the dollars loaned on wheat. At the very bottom of the loan scale by size, the smallest

33 percent of loans took up only 8 percent of the funds used.

Cotton: There were 34 cotton loans which exceeded \$100,000 apiece, 6 loans which exceeded \$500,000, and 2 loans in excess of \$1 million. The biggest single cotton loan amounted to \$1.3 million. It is pertinent to note that the largest loan in 1954 again was \$1.3 million. Altogether, it is estimated that the largest 1 percent of the loans made required 18 percent of the total funds used.

Owner-operated family size farms have always been the cornerstone of American agriculture. Historically we have sought to stimulate their growth. We must continue to have a strong family-size farm if we are to have a strong agriculture.

It, thus, clearly is not in the public interest to underwrite at public expense any farm or other program which operates to threaten the very existence of family-size farms.

There is action that can be taken to correct this situation. This action is to amend existing law to place a limit on the amount of price-support loans to any individual farmer.

I have many small farmers in my State. I do not want to see them liquidated. I do not want to see their opportunity to expand and to become more efficient prevented by the very Government that sets out to help them. I do not want to see them progressively throttled down and down until they are forced to abandon their farming operations because the Government would not permit them to make an income sufficiently large to support self and family at a decent level.

Without further delay, then, let us get to the task before us. Let us give our farmers the attention they deserve. The present situation is the result of the extension of Government influence and control into a historically free business. We can restore that freedom by instituting an orderly withdrawal of Government regulation from the business and lives of our farmers.

President Eisenhower's nine-point farm program will accomplish this. But it must not be warped and distorted into a useless and false tool. We cannot ask the American farmers to accept a plan which calls for the reduction of surpluses by a soil-bank plan and other measures and at the same time restores 90 percent rigid supports on basic commodities which cancels out the good effects of the soil-bank plan. We cannot travel in two directions at one time. What an insult to the intelligence of our farmers. Such a proposal—whatever the motives—is indeed a shameful thing.

I call for all to cast aside personal or selfish interest and support this nine-point plan which President Eisenhower has proposed and which points the best path toward the restoration of a normal and healthy farm market.

Mr. AIKEN. Mr. President, some question has been raised as to what the amount of compensation to farmers under the acreage reserve program of the proposed soil bank would be. The general impression seems to be that it would be 50 percent of the support price for the average yield of the commodity on the land.

I have asked the Secretary for a statement as to what the position of the Department is on that subject. I have received the following communication:

STATEMENT BY SECRETARY BENSON REGARDING COMPENSATION TO FARMERS IN THE ACREAGE RESERVE PROGRAM OF THE PROPOSED SOIL BANK

Questions have been raised as to whether farmers will voluntarily participate in the acreage reserve program of the soil bank with compensation at 50 percent of the expected gross return on the reserve acres.



Fifty percent has been mentioned tentatively by the Department in discussions with farmers and with the Congress.

The right figure is one which will attract the necessary participation. We do not know whether 50 percent is the right figure or not.

The President said: "This percentage will be set at an incentive level sufficiently high to assure success of the program."

The 50 percent figure was suggested on a strictly preliminary basis. We are studying the whole matter now, in the field. The President has said, and I have said, that the compensation must be sufficient to attract the necessary participation. The Senate bill, S. 3183, gives sufficient latitude. If we find for any crops that 50 percent will not get participation, we are prepared to offer a greater amount—as much more as is fair to farmers.

I read this statement merely to show that the amount of compensation for participation in the acreage-reserve program with respect to the various crops has not yet been determined, because the men working in the field have been asked to find out what level would be necessary.

There is one provision in the bill to the effect that the Secretary, if he so desires, may call for bids as to what farmers will accept in return for taking some land out of production and placing it in the conservation reserve. I would not expect this method to be used on a very large scale. That provision is included in the bill in order that there may be opportunity for some experimentation in this field if it is felt desirable. In such cases I assume that the final decision as to what land would be taken out of production and what bids would be accepted would rest with the local committee, because many factors would have to be taken into consideration besides merely getting the land out of cultivation. The effect on the community, and other factors, would have to be considered.

I am placing this statement in the RECORD at this time to show that, although 50 percent is the tentative figure which was used, it was used only because we had to start from somewhere. The figure may turn out to be 55, 60 or 65 percent. No one knows at present what it will be, but under the terms of the bill it must be enough to obtain the desired reduction in production.

Mr. ELLENDER. It is a fact that the statement just made is in line with the report.

Mr. AIKEN. That is correct. I am making this statement merely to correct any rumors that 50 percent is the amount that has been definitely decided upon.

Mr. ALLOTT. Mr. President, it is my wish this afternoon to discuss the pending farm legislation, and particularly to discuss it with respect to how it might affect a typical State. For my purposes, I have used, of course, my own great State of Colorado.

It seems to me that, above all, we must approach the farm problem in a non-partisan spirit. I have previously spoken on this subject on the floor of the Senate. I hope that in the consideration of the pending bill, and of any amendments which may be offered, no partisan considerations will ever cause me to act

either for or against any proposition that is offered on the floor of the Senate.

I have lived for 26 years in the center of a great agricultural section, the Arkansas Valley, in the southeastern corner of Colorado. I have watched its agriculture, which is by far its most important industry, grow and develop during my adult years.

Water is literally liquid gold to the inhabitants of Colorado. Without irrigation, and without the impounding of waters, there would be no such thing as our great farm productiveness. It has led to the development of numerous great farms along the Arkansas River, along the Platte River, along the Gunnison River, along the Colorado River, along the Animas and San Juan Rivers, the Rio Grande and the Republican River. By the way, most of that development has been through private initiative and with private capital and out of it all has come the present great agricultural progress of my State.

I am concerned about the plight of the farmer and with what is known as the farm problem. Those of us who have lived with it and have seen the developments in the agricultural economy of our country, cannot close our eyes to the situation. We cannot close our eyes to the fact that the farm population is steadily decreasing in numbers, but not, as I propose to show, for some of the reasons which have been stated by certain people.

We cannot close our eyes to the fact that only 13 percent of our people now reside on the farms. We cannot close our eyes to the fact that farms are becoming larger. We cannot close our eyes to the fact that, generally speaking, the agricultural economy is not well. In fact, it is one of my firm beliefs that

the economy of this country can never be completely healthy with a sick agricultural community.

Therefore, in a spirit of nonpartisanship, and in an attempt to determine how the proposed legislation might affect my own State, I wish to discuss the subject this afternoon, and divide it into two main parts. It seems to me the first proposition we should discuss is what can be done to help farm income. After all, there is nothing wrong with the farm economy that income will not help. Second, since we are in this period of transition, what can be done to help the farmer by way of credit? It is to these two main propositions I wish to address myself today.

First of all, I wish to discuss this matter so far as my own State of Colorado is concerned, with relation to the diminishing size of the farms. My figures are taken from the Colorado Yearbook, 1951 to 1955. These figures show that in 1930 the number of farms in Colorado was, in round figures, 60,000. By 1940 the number had diminished to 51,500. By 1950 it had further fallen to 45,500.

The area of farm lands actually being farmed had increased since 1930 from 29 million acres to 38 million in 1950, or an increase of almost 25 percent.

The average size of the farms in 1930 was 481 acres. By 1950 the average size had increased to 832 acres.

The cropland harvested in 1930 amounted to 6¾ million acres. The cropland harvested in 1950 was in excess of that by about 200,000 acres.

I ask unanimous consent that the chart to which I have referred may be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Number, area, and average size of Colorado farms and cropland harvested, by counties 1950, 1940, and 1930

|              | Number of farms | Land in farms |                  | Average size of farms (acres) | Cropland harvested |                          |
|--------------|-----------------|---------------|------------------|-------------------------------|--------------------|--------------------------|
|              |                 | Area (acres)  | Percent all land |                               | Area (acres)       | Percent of land in farms |
| State total: |                 |               |                  |                               |                    |                          |
| 1950.....    | 45, 578         | 37, 953, 099  | 57. 1            | 832. 7                        | 6, 892, 904        | 18. 1                    |
| 1940.....    | 51, 436         | 31, 527, 240  | 47. 4            | 612. 9                        | 4, 769, 671        | 15. 1                    |
| 1930.....    | 59, 956         | 28, 876, 171  | 43. 5            | 481. 6                        | 6, 750, 398        | 23. 3                    |

Source: Bureau of the Census, 1950, the latest year for which figures are available. Colorado Year Book 1951-55, p. 350.

Mr. ALLOTT. My reason for quoting these figures is, first of all, to kill the bugaboo that the administration, or its Secretary of Agriculture, is somehow fomenting a great exodus from the farmland. The figures I have read clearly show that in Colorado, between 1930 and 1950, the number of farms decreased by 25 percent. They show also that during this period the area, in acres, increased by almost exactly the same percentage.

I do not have the complete figures for 1955, because they are not yet available through the Department of Agriculture. However, the figures pretty well show that the exodus from the farm and the increase in the size of the farm is not something that has arisen in the past 3

years, since 1952, but, rather, is a condition which has gradually developed during the past 25 years.

My first acquaintance with the rural areas of the Arkansas Valley as a resident was in 1930. Pioneers had gone there. They had developed this area, built irrigation ditches with slips and shovels, in many instances by hand, and there were still many farms which were 40 acres in size.

In fact, as a lawyer, in examining abstracts in that section of the country today, I have found that most of the abstracts are made of 40-acre tracts, indicating that originally, when work was done by hand, people felt that a 40-acre tract, in an irrigated section, could be an economic unit.



By 1930 that had changed. The irrigated farms had already increased to about 80 acres. The people recognized that it was impossible for a 40-acre tract to be an economic unit from the standpoint of trying to make a living.

As farm equipment became mechanized in the area comprising Colorado we have seen that the acreage of land farmed, which would constitute an economic unit, has gradually increased through the years.

In the great State of Colorado, 77.6 percent of the farms are operated by owners and the remaining 22.4 percent by tenants. There are 22,354 irrigated farms, and 17,395 nonirrigated farms, or a total of 40,749. The irrigated acreage for the average-size farm in 1950 was 106 acres, which shows how the size had increased. I am sure it will be recognized that not all of an irrigated farm can always be irrigated. The average size farm in Colorado was 630 acres in the same year. That indicates the general trend, and, I think, is indicative of the point I am trying to make, that the exodus from the farms had started, and that farms were becoming larger all the time, both trends becoming clear prior to 1950.

While my figures relate to years prior to 1950, I concede readily that the continuance of the trend would be shown if accurate figures were available for succeeding years.

Mr. President, I ask unanimous consent that a table showing the situation with respect to Colorado farms may be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| Colorado farms |                               |                 |               |
|----------------|-------------------------------|-----------------|---------------|
|                | Average size of farms (acres) | Number of farms | Total acreage |
| 1930.....      | 482                           | 59,956          | 28,876,000    |
| 1935.....      | 471                           | 63,644          | 29,976,000    |
| 1940.....      | 612                           | 51,436          | 31,479,000    |
| 1945.....      | 760                           | 47,618          | 36,166,000    |
| 1950.....      | 832                           | 45,578          | 37,921,000    |
| 1955.....      | 942                           | 40,749          | 38,385,000    |

Mr. ALLOTT. Mr. President, the average size of farms, which in 1930 was 482 acres, had jumped by 1955 to 942 acres.

The number of farms in 1930 was 59,956, and in 1955 the figure was 40,749. I have already indicated the total acreage.

Mr. President, what is the situation with respect to wheat in Colorado? In 1953 and 1954 there was a great falling off of cash income from sales of wheat. In 1953, the total income was \$89 million. In 1954, it had fallen off to \$35 million.

Even the most ardent advocate of the rigid price-support system will not contend that our section has not been quite seriously afflicted in the past 5 years with the drought which has prevailed. So, when we talk about farm income, we must remember that, at least so far as the State of Colorado is concerned, it has suffered during the past 5 years so

severely from drought that it is impossible to place a line and determine how much of the depreciation in farm income is due to drought, and how much is due to a decline in the price of farm crops.

I do not propose to discuss the other problems which afflict the farmer at this time, for they have already been discussed by numerous Senators. They are, of course, the rising cost of labor, the rising taxes, the rising costs of operation, and the rising costs of the machinery which the farmer has to purchase.

I was very much interested in listening to the Senator from Minnesota [Mr. HUMPHREY] on TV the other evening. While the prices of trucks and tractors were shown on his chart to have risen only 4 percent during the period the chart covered, which was from 1952 on, the fact is that the cost of farm ma-

chinery in general increased in the preceding 8 years prior to 1952 an average of approximately 86 percent.

So, Mr. President, it is easy to understand why the farmer has been caught in a squeeze of farm prices and why he is in the situation in which he finds himself today.

In 1953, the acreage of wheat harvested in Colorado was 39 percent less than that planted, and in 1954, only 50 percent of our wheat was harvested; indicating the general situation with respect to drought affecting the farming areas.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table on Colorado wheat statistics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| Colorado wheat statistics   |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| 1953                        |              |              |              |              |              |
|                             | Winter wheat |              | Spring wheat |              | Total        |
|                             | Irrigated    | Nonirrigated | Irrigated    | Nonirrigated |              |
| Acreage:                    |              |              |              |              |              |
| Planted.....acres..         | 3,902,000    |              | 101,000      |              | 4,003,000    |
| Harvested.....do....        | 50,020       | 2,671,000    | 30,000       | 60,800       | 2,812,520    |
| Production:                 |              |              |              |              |              |
| Volume.....bushels..        | 1,450,000    | 41,149,000   | 900,000      | 793,000      | 44,292,000   |
| Average per acre.....do.... | 15.5         |              | 18.5         |              | 15.7         |
| Value: Cash income.....     | \$86,070,000 |              | \$3,301,000  |              | \$89,371,000 |
| 1954                        |              |              |              |              |              |
| Acreage:                    |              |              |              |              |              |
| Planted.....acres..         | 3,005,000    |              | 71,000       |              | 3,076,000    |
| Harvested.....do....        | 32,000       | 1,547,000    | 10,000       | 24,000       | 1,622,000    |
| Production:                 |              |              |              |              |              |
| Volume.....bushels..        | 672,000      | 15,470,000   | 475,000      | 228,000      | 16,845,000   |
| Average per acre.....do.... | 21.0         | 10.0         | 25.0         | 9.5          | 10.4         |
| Value: Cash income.....     | \$33,948,000 |              | \$1,456,000  |              | \$35,404,000 |

Mr. ALLOTT. Mr. President, in discussing the farm program generally it seems to me that we can have about as many opinions as there are people. There are four major farm organizations in this country. Unfortunately, it seems to me that there is not sufficient unanimity of opinion to enable us to embark on a program which will receive the support of all farmers. I desire, therefore, to discuss briefly the bill which has been reported by the Committee on Agriculture and Forestry, S. 3183, and particularly with respect to how it might affect the State of Colorado.

I have great respect for the Senator from Louisiana [Mr. ELLENDER], the distinguished chairman of the Committee on Agriculture and Forestry, and for all the members of that committee. It is very easy to tear apart any proposition. It is much harder to build something constructive and workable. In what these gentlemen have done and what they have labored for, no matter what part or parts of it we may individually disagree with, there can be no question that they have done a monumental work, and they should be congratulated for their foresight, intelligence, and devotion to this job.

What concerns me about the particular bill pending now is based upon the

figures which I have just given for the State of Colorado.

A typical irrigated farm of 160 acres might, perhaps, have an allotment to wheat of from 15 to 20 acres. In other words, under the allotment system the farmer might be permitted to grow between 15 and 20 acres of wheat. Of the five so-called basic commodities, wheat is the only one which affects the State of Colorado. Colorado is not engaged in commercial corn production. Therefore, it does not come under the so-called basic commodities classification. If 15 to 20 acres on an average irrigated farm are allotted to wheat, it is very easy to see that no system of supports on basic commodities is ever going to help the farmers of Colorado. The balance of a typical 160-acre irrigated farm in Colorado might consist of, perhaps, 30 or 40 acres of hay, which is not supported; perhaps 40 acres of sorghum, or some other feed crop; perhaps 10 or 15 or 20 acres of feed. Of course, not only in the Arkansas Valley but in the Platte Valley, on the western slope, and all over Colorado, many, many thousands of acres of various kinds of fruits and melons are grown.

I cannot see how any bill set up as is the pending bill will be of any immediate help to the farmer of irrigated land in Colorado, since he devotes only about



one-tenth of his acreage to wheat. It is obvious that he is not going to benefit from the support of a basic commodity to any considerable degree.

Therefore, if the farmer in Colorado is to benefit from the bill, he will have to benefit from its soil-bank provisions.

The first part of the bill, however, devotes itself only to wheat, cotton, corn, rice, and tobacco. Of those products, only wheat affects the interests of Colorado. How, then, will anyone in Colorado, or a State similarly situated—be assisted by the so-called acreage reserve program, which is available only to those who produce the so-called basic commodities? I am certain the Senator from Kansas [Mr. CARLSON] and the Senators from Nebraska [Mr. HRUSKA and Mr. CURTIS], who have great irrigated acres in the western portions of their States, can see the same picture. The answer is simple. They cannot take advantage of it, and they will not be able to put into or take out of acreage any of the so-called basic commodities produced, because they produce so little of them. They might take out a little wheat. Otherwise, subtitle A, on page 7 of the bill, entitled "Acreage Reserve Program," means nothing to them.

Going to another part of the bill, it will be noted that \$750 million is devoted to the acreage reserve, and only \$350 million is devoted to the conservation reserve. I will support, and if necessary will offer, an amendment that the amounts be adjusted equally, so that the farmers who do not grow basic commodities in large quantities will be able to share on an equal basis in the benefits of the conservation reserve program with those who do grow large quantities.

I am told that the production of basic commodities affects only 23 percent of the farm income of the United States. It has been estimated that this means from 40 to 50 percent of the farmers of the Nation. Nevertheless, the fact remains that \$750 million is devoted to supporting acreage reserves which apply only to basic commodities, and only \$350 million is devoted to the conservation reserve, which affects a far greater number of farmers, and also affects a greater portion of the farm income.

I turn now to the conservation reserve. The distinguished senior Senator from Louisiana is on the floor, so I hope he will perhaps be able to answer 1 or 2 of the questions which I propose to ask, if he will be kind enough to do so.

On page 14 of the bill the following provision is made for the Secretary:

To bear such part of the cost (including labor) of establishing and maintaining vegetative cover or water storage facilities, or other soil, water, wildlife, or forest conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this act, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated.

In order to make the conservation acreage program work, the acreage must be set aside. It cannot be, as the colloquy with the junior Senator from Kansas developed, diverted to other uses. If it is intended to be diverted to the feeding of livestock or to the growing of other

products, then naturally no headway will be made in the overall agricultural picture. There is now a glut of pork on the market. The same situation exists with respect to heavy beef. We are having a hard time in this Nation consuming enough beef and pork to keep the prices of those commodities up. Therefore, I pose this question to the Senator from Louisiana:

Was any consideration given by the committee as to who would be responsible for the fencing off of the diverted acres, in the event a farmer enters the conservation reserve program?

Mr. ELLENDER. I think that question was pretty well covered last week in the colloquy on the floor. The Secretary could offer as an inducement, either to pay part or all of the cost of the fencing. The authority given to the Secretary in the pending bill is so broad that he undoubtedly has the right to make that expenditure so as to get the required number of acres into the soil bank in order to carry out the program as contemplated by the committee.

Mr. ALLOTT. I thank the Senator. I am sorry I did not hear that particular colloquy. I have made a determined effort, as the Senator knows, to be present throughout most of the debate.

Mr. ELLENDER. I understand, and appreciate the continued interest the Senator has shown in the pending bill.

Mr. ALLOTT. I apparently missed that part of the debate.

I am certain the Senator understands that in the practical application of the bill, in many instances, the cost of fencing would equal, probably, the benefits which could be paid under the conservation reserve program. Therefore, it may become a very important matter as to who is to pay for the fencing. If the farmer himself is to pay for the fencing, under the conservation reserve program, the cost may absorb all the cash benefits which he receives under the conservation reserve program. He may end up on a treadmill without actually getting anywhere in terms of his net income.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MORSE. Speaking now of the building, not of political fences, but of farm fences, I wish to assure the Senator that the cost of building a fence will take all—it will more than take all—of any benefit which a farmer would get under the bill in respect to the soil bank, if he has any substantial amount of fencing to build. The cost of building fences these days is simply terrific, and I think anyone who contemplates fencing should take into consideration what it will cost to build the fences and who will pay for them.

Mr. ALLOTT. I am very happy to have the thoughts of the Senator from Oregon on that point. In the parts of the country in which both he and I live, where farm acreage has sometimes achieved very large proportions, not only is the cost of fencing high, but the extent of the fencing which would have to be built in order to take part in the conservation reserve program would be tremendous.

I wish to refer particularly to subsection (c) on page 15 of the bill, which reads:

In determining the lands in any area to be covered by contracts entered into under this section, the Secretary may use advertising and bid procedure if he determines that such action will contribute to the effective and equitable administration of the conservation reserve program.

I must confess that this provision balks my imagination. I am unable to determine what that language possibly could mean. Surely it cannot mean what it says, which is that the Secretary may advertise and ask for bids on the land which is to be set aside in the conservation reserve. May I direct that question to the distinguished Senator from Louisiana?

Mr. ELLENDER. As I stated yesterday in debate with the distinguished Senator from Wyoming [Mr. O'MAHONEY], the bidding will be among farmers, and the farmer who offers to reduce production at the least cost to the Government through diversion of acreage, will get the contract. In order to carry out the purposes of the conservation reserve program, he will be entitled to participate in preference to his neighbor who might bid a higher price to the Government. It is not a question of the highest bidder getting into the program, but rather the lowest bidder for the production in question.

While the bill was being considered, we took occasion to hear a witness, at the suggestion of my good friend, the senior Senator from Iowa [Mr. HICKENLOOPER], who made this proposal, but we already had in a draft bill the language to which the Senator from Colorado now refers. The suggestion had been made in our field hearings. It was almost on all fours with what our recent witness had in mind. It is merely a method of getting farmers interested in trying to assist the Government to put as much land as possible, as cheaply as possible, in the reserve. That is really the reason for it.

Mr. ALLOTT. I thank the Senator for his explanation, but it seems completely incomprehensible to me that this provision could possibly mean what it says. In other words, I think the legislative record should be made clear that what we are going to ask farmers to do, under the conservation reserve, is to bid against each other for the opportunity of taking land out of cultivation, and the man who bids the lowest is the man who is going to take his acreage out of cultivation. I am not sure the farmers understand that is the situation, and, speaking for myself, I must say I extremely disapprove of it.

Mr. ELLENDER. I should like to refer to page 3435 of yesterday's RECORD. The Senator from Wyoming [Mr. O'MAHONEY] raised the same question which the distinguished Senator from Colorado has just raised. My answer was:

It was a proposal submitted by the Senator from Iowa [Mr. HICKENLOOPER], and we heard a special witness in that regard. The object of the provision is to get the farmers to bid their acres in; and the one who bids the least money to bring about the desired amount of reduced production will be per-



mitted to participate in the conservation reserve. It is not a question of the farmer getting more money. Instead, it is a question of the Government getting the reduction with the least amount of cost.

That is only one of the features of the bill which attempts to get land in the program. Let us not forget that this proposal is on a voluntary basis, and the Secretary of Agriculture is given wide discretion in order to be able to obtain the number of acres he might consider necessary to carry out the conservation acreage program.

Mr. ALLOTT. I thank the distinguished Senator. I must say I am somewhat chagrined to find that the language means exactly what it says. I was present yesterday when the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Louisiana were discussing this matter, and I heard the objection of the Senator from Wyoming to the effect that too much discretion is left in the hands of the Secretary. Of course, we come back again to the proposition that sometimes it is easy to criticize but hard to offer a constructive substitute for the proposals which have been made.

Mr. AIKEN. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. AIKEN. I might point out that the inclusion of a provision for taking land out of production on bids is not the recommendation of the Secretary or the Administration. As the Senator from Louisiana has said, it was put in the bill purely at the request of certain persons in Iowa who got the idea it might work. It was intriguing. A member of the committee proposed that the provision be included. It is not compulsory. I cannot imagine its being used to any extent, if at all. However, it is in the bill. If the Secretary desires to try it out in a particular county or in half a dozen counties, he has the discretion to do so. The idea is to see what price farmers would actually take for reducing their production. That was the purpose of the provision. Also, its promoter felt that if that method were used, then there could be no criticism of the Department for paying too much for taking land out of production if low bids were accepted, provided the other features for taking land offered at the lowest price were not harmful.

Between the Senator from Louisiana and myself, I think we have explained how the provision got in the bill. I would not expect that the present Secretary of Agriculture, at least, would go very wild in using that provision.

Mr. ALLOTT. I thank the Senator for his explanation.

Mr. AIKEN. It might not work at all.

Mr. ALLOTT. I am genuinely concerned with the present condition of agriculture and with the fact that I can see no opportunity, or very small opportunity, for those who practice irrigated farming in Colorado to benefit under subtitle A, the acreage reserve program of the bill, since they must look entirely to subtitle B. I am very much concerned with those provisions. I question the advisability of placing farmers in a position where they would be bidding

against each other to make the lowest bid to take acreage out of production in the conservation reserve.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. ELLENDER. That plan would not have to be followed, I may say to the Senator. Its application could be one that might be useful in some sections of the country and might not apply at all to Colorado.

Mr. AIKEN. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. AIKEN. The farmers in the State of the Senator from Colorado are about in the same position as are the farmers in New England. They could not benefit directly from the acreage reserve program. In New England we have tobacco growers who could benefit. In Colorado there are some wheatgrowers who could benefit. The principal benefits from the acreage reserve would be indirect benefits. It is hoped the program will keep those who take land out of wheat and cotton, to be entered in the conservation reserve, from producing crops such as potatoes, cabbage, and other commodities which come in direct competition with those who have irrigated farms. The benefits from the acreage reserve would be almost wholly indirect, although they might be material.

Mr. ALLOTT. I thank the Senator.

I wish to make clear that I understand, and our people understand, that our wheat farmers can participate in the acreage-reserve program, but since the greater number of them are irrigated land farmers, and since so little of their own crops are basic commodities, I feel it is incumbent upon me to point out what the bill will do and will not do for the farmers of the State of Colorado.

Mr. AIKEN. If the Senator will yield, I might point out one other thing. The cattle raisers in the State of Colorado are already in some difficulties because of competition with feeders in Minnesota, Iowa, Missouri, and some eastern States where use is being made of diverted acres to produce more cattle. Also, in my opinion, the cattle raisers of Colorado suffer somewhat from the present method of grading beef. It was hoped that excessive feeding of livestock and production of dairy products could be cut down in those areas which would directly participate in the acreage-reserve program.

Mr. ELLENDER. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. ELLENDER. In addition to what the Senator from Vermont has just stated, the people of Colorado will no doubt profit from passage of the bill in another way. There is a big tourist trade in Colorado, is there not?

Mr. ALLOTT. We have a considerable tourist trade, and we are proud of our State which attracts so many friends.

Mr. ELLENDER. If we can bring prosperity to the whole country, Colorado will benefit from it. My good friend from Colorado has been examining only the direct benefits that will flow to Colorado, insofar as wheat growers are con-

cerned. He seems to be somewhat disappointed that the bill does not offer more direct assistance to all the farmers of his State; but, as my good friend from Vermont has just pointed out, the fact that cattle are raised in abundance in Colorado—and I believe some poultry is raised there, too.

Mr. ALLOTT. Yes.

Mr. ELLENDER. It follows that if the production of feed grains can be curtailed, that in turn will stabilize cattle and poultry production and make it more profitable. If these and other farmers make a little more money, they can visit the beautiful mountains and valleys of Colorado and in that way Colorado's economy will be benefited substantially.

Mr. ALLOTT. I may say to the distinguished Senator from Louisiana that his words are an invitation to me to extol the virtues of Colorado—its high mountains, its fine air, and its wonderful people. I should like to do so at great length. However, I feel that we must proceed with our discussion of the pending bill.

In respect to the comment made by the Senator from Louisiana, I merely say that, regardless of how we consider this matter, I feel that it is my obligation to call the attention of the Senate, as well as the attention of the people of Colorado, to what the bill actually will or will not do in its effect upon them. Although it may be true that we in Colorado will receive an indirect benefit from all these provisions, as portrayed in such glowing words by the Senator from Louisiana, yet I must say that a great many of our farmers are going to be disappointed if they expect to receive any immediate aid as a result of the enactment of this measure. The soil bank will help them in the long run; but I know it will not be possible to eliminate the surpluses immediately. We cannot obtain a reasonable return from farm operations until the surpluses are reduced.

I may say that in connection with the first part of the bill, I shall support an amendment, which will be offered, to tighten the provisions of the bill with respect to the acreage reserve or the conservation reserve which is to be withdrawn.

The second point I wish to discuss briefly this afternoon is one in which I myself have been interested greatly during the past few years. That is the question of farm credit. This phase or facet of the farm situation is not dealt with in the pending bill, but it needs very speedy attention.

At this point I should like to read a letter to the Senate. I shall not read the name of the person writing the letter, because I have not had time to contact him, to ascertain whether he desires that I publish his name. However, I am sure he will not object to my reading the text of the letter:

FEBRUARY 25, 1956.

United States Senator GORDON ALLOTT,  
Senate Office Building,  
Washington, D. C.

HONORABLE MR. ALLOTT: Your idea to simplify and prolong farm loans as stated in an article in the Rocky Mountain News, Thursday, February 23, 1956, sounds as if



it is what the hard-hit farmers in this drought area need to help them.

If there isn't some kind of help in the near future all of the small farmers will be wiped out, with only the big farmer, with other income to help out, left as he can get so much more subsidy and crop insurance.

Inasmuch as I am renting one section of ground on which I get to plant 225 acres of wheat, I own 1 section with 97 acres under cultivation, the rest in grass.

With only 225 acres of wheat on this much ground you can see that I have been cut down to such an extent that it is impossible to make a go of it, even if we had some rain.

I would like to know in what way the President's soil-bank plan would benefit me.

From where I sit it looks as though most of the men sent to Washington are trying to eliminate the small farmer that has no income from other sources and keep the big suitcase farmer in production.

You know some factories built out here and not all in the cities would really help.

Respectfully,

P. S.—We would all rather work for what we get than have it given to us.

At this point I should like to read another letter:

FEBRUARY 23, 1956.

DEAR SENATOR ALLOTT: So help me, Senator, I don't know if I will be able to start farming this spring or not. Mine must be one of those 200 farm families in Colorado that's pretty hard up.

My Government does not owe me a living or need it necessarily guarantee me a profit. I think it does owe me an opportunity to try and recoup some of the catastrophic losses sustained on this farm the last few years due to hail, drought, reduced prices, increased costs, and the general readjustment taking place in agriculture.

You, I think, are sponsoring the most urgently needed legislation to benefit the family sized farm in the Nation today. I think the Government should work hard at bringing supply and demand more into balance and when that is done get out of the picture.

If the Government would establish adequate credit to the sound, economical family farmer for a period of 5 years, at least, and at a low rate of interest, he will be able to work out of his present difficulties I am sure. Stop subsidizing the farmer. Very little of the subsidy gets to the ones who really need it anyhow. The ones that do need it, if I am any criterion, would like to borrow it—with the idea and belief that farming won't always be in its present plight. Those that do not need it accept it anyhow on the theory "Never look a gift horse in the mouth."

We have shown a loss on this farm the last 4 years, but I maintain this is still an ideal family sized stock farm. This 800-acre combination irrigated and dry-land farm comprises the following acres: 400 acres dry cropland; 260 acres native pasture; 125 acres irrigated cropland; 15 acres farmstead and wasteland.

A little about myself. I am 47 years old, a graduate of Colorado A. & M., and have engaged in farming and ranching most of my adult life. I am trying hard to support a wife, three children, and my father on this stock farm.

Sincerely and respectfully yours.

Then I should like to read a letter I received this morning from a county agricultural agent:

MARCH 1, 1956.

The Honorable GORDON C. ALLOTT,  
United States Senate,  
Washington, D. C.

DEAR SENATOR ALLOTT: A meeting of our agricultural planning committee was held

February 28. Twenty of our county farm leaders were present. Among other farm problems discussed was your proposed bill regarding the broadening of loans made under the Bankhead-Jones Act. Many favorable comments were given and urgent requests made to hasten action thereon.

We, as you know, have had several successive years of severe drought conditions and received cost of production or lower prices for our main crop, namely, potatoes. This has resulted in placing many of our good farmers in a critical financial position. This condition can be readily seen from figures recently obtained from official records. At the present time our total land valuation amounts to slightly less than \$6 million. In 1952 total real-estate mortgages amounted to \$651,000; by January 1, 1955, they had jumped to \$1,825,000. January 1, 1956, figures are not yet complete, but the indebtedness will increase to considerably more than \$2 million. This condition is alarming to say the least.

This group expressed themselves as being very favorable toward your bill's intention in increasing the limit to \$30,000 and extending the time to 15 years. They criticized, as well, the time required to process applications, but felt the proposed bill would, to a certain extent at least, simplify and expedite the obstacles existing in the present law.

Any assistance you might require from this end will, if possible, be gladly extended.

To conclude with respect to the credit bill, let me say that in the past 6 months I have talked with thousands of farmers and have met with innumerable local farm credit agencies. I find that the types of credit offered through the Farm and Home Administration—and it is not the fault of either the Democratic Party or the Republican Party—are often, and usually, so complex that neither the farmer himself nor the FHA supervisors, in many instances, are able to understand the limits and abilities of any particular type of loan.

We have seen situations in which farmers were lined up for 50 yards waiting for an opportunity to get into an FHA office in order to make a loan to finance their operation.

The matter of adequate farm financing is one of the most important things we must consider. I request my very able and distinguished friend from Louisiana [Mr. ELLENDER], who is chairman of the Committee on Agriculture and Forestry, to schedule the subject for early consideration by the committee.

In letters which I received from farmers I find that a great preponderance of such correspondence comes from people who do not want doles or handouts from the Government. I find a willingness and a desire expressed by them, as shown by the letters which I have just read, to do their own job and to make their own way. But one of the things they must have is an opportunity to borrow enough money to continue until the present depression in prices, and also the present drought situation in our part of the country, have improved.

Let me make it clear again that these farmers are not asking for a handout. They have no such thing in mind. They have never had such a thing in mind. However, if they are to continue, they must have an opportunity to finance themselves. Only a clearing out of all the rubbish of patchwork laws under the FHA and a substitution therefor of one

clear-cut credit law would do the job and handle farm credit during the coming months.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. ELLENDER. I wish to give assurances to my good friend from Colorado. The bill to which he has alluded has been referred to our committee. It will be my purpose to appoint a special subcommittee to consider the bill, as soon as the pending bill is out of the way.

Mr. ALLOTT. I appreciate the assurances of the Senator. I am sure we all understand why it would be impossible at the present time for him to give any consideration to this bill, until the pending legislation is out of the way.

In conclusion, let me say that I am fully aware that, as a Member of this body, I have an obligation to all the States of the Union, and to all our people. However, it seems to me that, as a representative of the State of Colorado, it is incumbent upon me to explain upon the floor of the Senate how the proposed legislation would affect the people of my State.

It is my intention, in the main, to support the pending bill, but not so far as concerns the high rigid parity portions. I believe that with the soil-bank proposal, and with the flexible provision in conjunction with the soil-bank proposal, we can more quickly bring our agricultural economy into balance.

It is not merely a question of trying to determine whether or not a certain amount of money would stimulate the agricultural economy and put the farmer back on his feet. If it were that simple, I am sure we could all resolve the question pretty well. We have placed floors under wages, and we have done many other things which, in effect, operate as subsidies. It would be a simple and just thing to apply the same principles in behalf of our farmers.

But it is not so simple to look forward to a long-term solution of this problem.

I cannot see a solution in a high, rigid support, which, at least, has contributed to, if it has not been directly responsible for, the situation of surpluses in which we find ourselves with respect to some of our basic commodities. I think we must not, by reverting to a high rigid support, place our farmer in a position in which, like an auger, he digs himself farther and farther into a hole, from which he will find it very difficult, as time goes by, to extricate himself.

Mr. President, I yield the floor.

#### EQUALITY IN CAMPAIGN CONTRIBUTIONS IS PARALLEL WITH EQUALITY IN VOTING

Mr. NEUBERGER. Mr. President, the bill introduced by the distinguished majority leader [Mr. JOHNSON] and many other Senators, S. 3368, to modernize the Federal election and corrupt practices laws, includes several forward-looking provisions. Among them is a proposal which has recently gained rather wide attention and favor—a proposal to permit political contributions up to the



Now, Mr. President, I want the RECORD quite clear once more that I have brought no charges against Mr. Braun. The Attorney General has. If Mr. Braun thinks those charges unfair or unjust, the place to send his protest is to the Attorney General.

Rather than reflect upon the Braun agency, I believe I made it quite clear Thursday that they had been doing an outstanding job. Is it political smear and character assassination to commend a firm for the excellence of its work, when assigned a most difficult task?

I invite Mr. Braun to again read that RECORD, rather than just press stories. I invite him to show me where there was any criticism of him or his agency.

I must say, Mr. President, that the press stories were most fair.

My criticism was directed solely at the Republican National Committee and Secretary Benson—the place where criticism belongs.

If Mr. Braun had not seen fit to cloud the issue with his own reply carried by the Associated Press and other wire services, I would have been glad to let the record rest with my commendation of the good job the Braun agency was doing in the most difficult task of popularizing the Secretary of Agriculture—and I digress to say that is a rather formidable assignment—along with my questioning the propriety of his firm being used by the Republican National Committee until two Republican Cabinet members had time to agree on whether or not he had conspired to break the law.

I repeat, Mr. President, that all I did was to read into the RECORD the charges which had been filed by the Justice Department.

Now, however, I feel compelled to comment further on Mr. Braun's statement.

Mr. Braun wires me protesting that his firm has worked "for the Government on a nonpartisan and public service basis in various ways since 1941," and cited the fact he was a staff member assigned to study foreign economic policies for a report to President Truman. I commend him for this fine service to his country.

I wish to say that at no time have I been critical of his voluntary civic services to the Government of the United States.

The Associated Press dispatch appearing in the St. Paul Pioneer Press on March 3 is headlined "Braun Aids Dems, Too, He Tells HUMPHREY."

Well, Mr. President, perhaps Mr. Braun needs a little lesson in civics. He seems to draw no distinction between being engaged by the Republican National Committee, and serving in an official Government position.

The Associated Press story goes on to say that Mr. Braun had informed me "that he had served Democrats as well as Republicans, on a nonpartisan and public service basis."

I am a bit amazed to learn that employment by the Republican National Committee now comes under the heading of nonpartisan public service.

Mr. Braun's message to me went on to cite the great service he has performed for agriculture by campaigns to increase sales and consumption of farm products, especially those in surplus.

Fine; I am glad he has been so interested in the farmer. But what does that have to do at all with the issue I raised? That issue was not about Mr. Braun's personal qualifications, but about the propriety of Secretary Benson and the Republican National Committee selecting a firm facing charges made by another Cabinet officer.

I think it is a very legitimate concern on my part, in view of the fact that the Justice Department has named Mr. Braun's agency as one of the defendants in a suit.

Mr. Braun assures me his firm and he will continue to be "available for public service whenever responsible officers of the Government think there is anything which we can contribute."

I am glad to hear of his patriotic interest in Government. But once again, I am surprised to think that the experienced head of such an outstanding public relations firm thinks the Republican National Committee is the Government.

Of course, from the tone of his reply, perhaps I am mistaken in thinking the Republican National Committee originated the idea of using him to glamorize Secretary Benson. In view of Mr. Braun's laboring the point about being "available for public service whenever responsible officers of the Government" think there is anything he can contribute, can it be possible that his "call to public service" came from Secretary Benson himself, rather than the Republican National Committee—with the latter group only taking care of the payroll?

Mr. Braun objects to my saying he had apparently "folded the tents" of his Operation Benson, pointing out that his agency still has offices downtown in the Press Building. If Mr. Braun will check the record, I am sure he will find that I referred to his agency's operations publicizing Benson being suddenly shut down, not to the Braun company going out of business with their many other clients. And if I was mistaken in understanding that Jennings Phillips, the man Mr. Braun brought from Salt Lake to handle Operation Benson, had suddenly completed his work and left town—so were all the members of the press who checked later at the Republican National Committee and had that fact confirmed.

No; I do not think Mr. Braun has anything to complain about from my comments about him, his firm, or his clients. His complaints are going in the wrong direction. I suggest he send them to Mr. Brownell.

Furthermore, perhaps Mr. Braun will really find out it is better in the long run that he is not representing Mr. Benson and the Safeway Co. at the same time.

I am sure he would prefer not getting Secretary Benson involved in any possible conflict of interest case over the \$74,000 the Comptroller General has ruled that the Secretary of Agriculture should not have paid Safeway in a CCC

cheese purchase and resale "deal" during the lowering of dairy-price supports in 1954. Apparently, it is now Secretary Benson's responsibility to negotiate return of this improperly paid windfall. I do not know what he is doing about collecting it. But I suggest it might have been awkward for Secretary Benson to press for return of those funds if he and Safeway continued to have the same public-relations agency.

In fairness to Mr. Braun, Mr. President, and so that the record can be clear on his interest in nonpartisan public service, I ask unanimous consent to have printed in the RECORD at this point the copy of the telegram I received from him last Friday afternoon.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 2, 1956.  
HON. HUBERT M. HUMPHREY,  
United States Senate,  
Senate Office Building:

Reference your remarks about Secretary of Agriculture Benson and Braun & Co. in the Senate, March 1.

If you had checked the whole record you would have found that we have worked for the Government on a nonpartisan and public-service basis in various ways since 1941.

My last effort under a Democratic administration was as a consultant in the Executive Office of the President in 1950. I was a member of the staff which studied and reported to the President on foreign economic policies.

In terms of solid assistance to American farmers, we are proud to match our record against political smears and character assassinations.

For over 20 years one of our principal activities has been in the field of increasing sales and consumption of farm products, especially those in surplus.

Beginning in 1936 we played a leading part in developing the producer-consumer campaign idea. Since then about 300 promotions have been conducted on such products as citrus fruits, apples, pears, peaches, cherries, lettuce, cabbage, potatoes, dairy products and meat. In 1954 alone, 28 farm items were given national promotion to increase consumption of foods in heavy supply. Our client, Safeway Stores, Inc., was one of the leaders in an expenditure by food chains alone of about \$12½ million advertising fresh beef in a recent drive on that product. The results in increased consumption were spectacular and in the neighborhood of 18 pounds per capita.

Similar campaigns have been undertaken to increase the consumption of the large pork supplies which began moving to market last fall. Increases in sales of over 15 percent represent further solid accomplishments.

Although our 90-day agreement with the Republican National Committee terminated Tuesday, February 28, we have not "folded our tents." We established an office in Washington, D. C. in the National Press Building in 1943. That office is still there.

This firm and I will continue to be available for public service whenever responsible officers of the Government think there is anything which we can contribute.

BRUN & CO.  
T. W. BRAUN, President.

Mr. HUMPHREY. Furthermore, Mr. President, I wish to suggest that Mr. Braun, if he is as smart a public relations man as I am advised he is, should



be happy to be out of his Benson promotion contract.

No successful firm likes to fail in an undertaking, but all do now and then. Mr. Braun, I am afraid, bit off more than he could chew in trying to make Secretary Benson's policies popular with farmers. That is no reflection on Mr. Braun. That is a reflection on this administration.

Now that he is out of a hopeless assignment, I suggest that Mr. Braun should be happy to leave well enough alone, and return to promoting consumption of food products, which he has apparently done so well for his private clients.

The Braun Agency has done an outstanding job in terms of advertising and public relations efforts, which have been made to promote a greater consumption of food products. That, of course, has been service to the American economy. I felt that he had taken on an assignment which was somewhat difficult to complete successfully, and, furthermore, that he found himself in a rather unusual situation, being the public relations officer for a member of the Cabinet, on the one hand, and at the same time being named in an indictment brought by another Cabinet officer, namely, the Attorney General.

It appears to me that this was not very sound policy. Therefore, I felt my remarks not only were appropriate, but should have been made, and I trust they are of immediate interest and concern to the Members of the Senate.

Mr. President, I ask unanimous consent that the article entitled "Braun Aids Dems, Too, He Tells HUMPHREY," published in the St. Paul Pioneer Dispatch of March 3, to which I alluded earlier in my comments, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

**BRAUN AIDS DEMS, TOO, HE TELLS HUMPHREY**

WASHINGTON.—T. W. Braun, president of a Los Angeles public relations firm, informed Senator HUMPHREY (Democrat, Minnesota) Friday that he had served Democrats as well as Republicans "on a nonpartisan and public service basis."

During debate on the farm bill Thursday, HUMPHREY criticized the Republican National Committee for hiring Braun & Co. as a consultant. HUMPHREY said its assignment was "to popularize" Secretary of Agriculture Benson and the GOP farm program.

Braun replied Friday with a statement to HUMPHREY in which he said he was "a consultant in the executive office of the President in 1950" on foreign economic problems. President Truman was in office then.

"In terms of solid assistance to American farmers, we are proud to match our record against political smears and character assassinations," Braun told the Senator.

"For over 20 years one of our principal activities has been in the field of increasing sales and consumption of farm products, especially those in surplus."

HUMPHREY had linked the Braun firm and Safeway Stores, Inc., in his speech, saying they were named together in an anti-trust indictment at Fort Worth, Tex., charging attempts to monopolize the retail grocery business.

A Justice Department official said Braun & Co. was named as an alleged coconspirator in the case, but was not made a defendant. This official said also that the indictment

later was dismissed by the Government and an information substituted.

#### AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (S. 3183) to provide an improved farm program.

Mr. HUMPHREY. Mr. President, when I left the Senate on Thursday last, I told the Senate I was about to return to Minnesota, where I had been invited to address what I hoped would be a rather large meeting at Benson, Minn., on Saturday night. I did address that meeting, and my expectations as to the size of the crowd were more than realized. Actually, there were considerably more than 2,200 farmers in the audience; and that is a most conservative estimate. The entire auditorium and gymnasium of Benson High School was filled—jam packed.

While I was there, I asked the farmers questions. I told them I would be returning to the Senate to discuss the farm bill and the whole farm situation in more detail. When I asked, for example, how many in the audience would like to have the junior Senator from Minnesota vote for 90 percent of parity price supports on the basic commodities, a sea of arms went up.

I can honestly say that when I asked, "How many would like to have me support the Eisenhower-Benson program?" the number of hands which went up were so few that they were almost indiscernible.

There were present farmers from the 12 counties surrounding Benson, Minn., which is in Swift County. The farmers came with their wives and children to listen to a report by one of their Senators. Those farmers, in no uncertain words, and in no uncertain terms, directed me, by their show of hands and by their personal expressions to me following the meeting, to stand firm for the 90 percent of parity crop support loans, as advocated and outlined in the bill before the Senate.

I talked to them also about other matters in the bill, including the soil-bank proposal. I talked to them in reference to the farm credit situation. I discussed with them problems relating to feed grain. I shall cosponsor with the junior Senator from Texas [Mr. DANIEL] an amendment on feed grains. I am happy to say that the same farmers indicated their approval of the proposal intended to be offered by the Senator from Texas.

The farmers also indicated their desire that my amendment to provide premium payments on lightweight hogs be given active and wholehearted support.

It was my privilege also to attend other meetings in Minnesota, meetings primarily attended by farm families. I was at Big Lake, Minn. I was at Waverly, Minn. I was at Elk River, Minn., for a very brief visit with some of the people of that community. I was at Litchfield, Minn. I was at Marshall, Minn. I was at Montevideo, Minn. I was at Sauk Center, Minn. I was at Williams, Minn. I was at Nashua, Minn. I was at Cokato, Minn. I was at Duluth,

Minn. In other words, Mr. President, I had a busy weekend.

While I was in Minnesota, I discussed the pending legislation with hundreds and hundreds of persons. I also asked, at practically every one of the meetings, the question relating to the price support level upon agricultural commodities.

These were audiences which had come to hear Mr. Adlai Stevenson speak to them. They were citizens who were interested in the political developments of our day. It was my privilege, however, to report to them at those meetings on the subject of the pending legislation.

I support, in the main, the provisions of S. 3183. I took with me mimeographed statements explaining the different titles of the bill. I am happy to say that the overwhelming body of opinion, as expressed by personal word, by a show of hands, and by conference, was in support of the 90-percent-of-parity payments. Every public opinion poll in the State of Minnesota indicates the same attitude.

The Benson-Eisenhower farm program is not popular. The Benson-Eisenhower farm program is not wanted. As I indicated to the farm families in Minnesota, the great advertising campaign which has been carried on, relating to the so-called Eisenhower farm program, is directed, apparently, toward some theoretical concept, rather than toward a legislative policy, because there is no Eisenhower farm program before the United States Senate. There may be such a program in the form of an amendment. If there is, we shall have the privilege to vote upon it; and I am of the opinion that we will vote it down.

I discussed in detail the paid advertisements of the Republican senatorial and congressional campaign committees. Those advertisements are well known to the Members of the Senate. I went down the nine points and discussed each and every one of them. I pointed out, for example, that the soil-bank feature, which is one of the nine points, was included in the Senate bill—with modifications, however, which we believe improve the bill.

I discussed the commodities which are included in the farm bill. I discussed the matter of farm credit.

It was my privilege to talk to more than 25,000 farmers and their wives during my 2½ or 3 days' stay in Minnesota. I can assure the Senate that I came back to Washington reassured and confident as to the views and attitudes of our people.

So I speak today with considerable pride and strength in terms of the bill which I support, because it is a bill which is well understood by the vast majority of the farm families, and also by all others who are interested in agriculture.

I wish that Members of the Senate could have been with me to see the demonstrations of interest on the part of the farmers. I can honestly say that those who attended the meetings on behalf of the press and the radio were very much interested. Correspondents from all the great national and international wire services and correspondents from some of the leading periodicals and newspa-



pers were present. Time after time, reporters would say to me that they had never quite appreciated how strong the feeling in a rural area was with respect to the subject of agriculture.

There has been much loose talk to the effect that possibly some of us have exaggerated or overstated the significance of the so-called farm problem. I say again for the record that we have underestimated it. No matter how the Senate may vote, the vote will be watched, scrutinized, analyzed, and evaluated. Those who vote to reduce farm income, as apparently some of the pronouncements would indicate may happen, will have to be brought to task under the established processes of American democracy, namely, in the election.

While I was away from the Senate over the week end, I was pleased to note press reports concerning the statement by the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. I recall that the Senator from Louisiana said the adoption of a 90 percent price-support schedule would mean approximately an additional \$850 million in farm income during the coming year. Farmers understand that, Mr. President. The farmers know the trouble they are in. Farmers read in the newspapers, and city people read also, that farm income in 1955 was down \$1 billion from 1954. That news story, Mr. President, was highly significant, because it pointed out exactly what we had been saying as to the growing depression in agriculture.

I think I commented last week on the fact that short-term loans in agriculture were up 17 percent in the Federal Reserve District of Minneapolis, where one of the Federal Reserve banks is located. I wish to read a news story from the Washington Star of today, Tuesday, March 6, on page 2, a feature story by Mr. Ovid A. Martin, one of the most capable and able of all agricultural writers. He is an Associated Press staff writer. I wish to pay proper tribute to Mr. Martin. I have read his stories with considerable interest. They are factual, and they have presented to the American people an overall understandable report of what is transpiring here in the Congress with regard to agricultural legislation. Furthermore, the stories have been well documented as to the economic facts of the present agricultural difficulties.

The story reads as follows:

**NINETEEN FIFTY-FIVE FARM INCOME FELL \$1 BILLION, UNITED STATES REPORTS**

Total farmer income fell nearly a billion dollars last year, the Agriculture Department said today.

While this was happening, a Department report said, the income of the nonfarm segment of the Nation's economy was rising above 1954 levels.

The Department said the income of the Nation's farm population, from all sources, last year totaled a little more than \$19 billion for an individual average of \$860. This compared with just under \$20 billion received in 1954 for an individual average of \$913.

In other words, the per capita income of farmers and farm families dropped approximately \$53 last year.

I continue to read from the news story:

The nonfarm population was said to have received total income of \$275 billion last year for an individual average of \$1,922—more than double the farm average. The previous year the nonfarm total was \$258 billion for an individual average of \$1,837.

So it will be noted, Mr. President, that the individual income of nonfarm people rose approximately \$85, while the individual income of farm people dropped approximately \$53.

That is the situation which prevails throughout the Nation. I wish we could have automobile dealers come to the Senate and testify to what is going on in rural areas. One of the best known and most active automobile dealers in southern Minnesota told me, over the weekend, he had not sold one new car to a farmer in 3 months, and he is in one of the great agricultural areas of the Nation, in southern Minnesota, in Cottonwood County. He sold some second-hand cars, but not many of those.

I talked to business men over the weekend. They told me what was happening in terms of their sales, and the difficulty that petroleum dealers, for example, were having in collecting accounts. The same thing could be developed in county after county and State after State.

The economics of agriculture ought to be pretty well known. I regret that the administration's proposals have failed to take into consideration the urgent need of immediate income-producing measures on the part of the Congress of the United States.

Whatever one may think of 90 percent price supports, there is one thing sure, Mr. President—they will mean more income; and, if controls on production are used, they will not mean more production.

I began the debate by trying to dissipate some of the myths which have become part and parcel of the public information on the agricultural situation. One of those myths was, and is, that the payment of 90 percent of parity price supports has been responsible for the surpluses and for increased production. The interesting part of that myth is that while it is stated again and again, there are few, if any, facts to support it. Indeed, Mr. President, the facts are to the contrary. The facts point out that when we had 90 percent price supports with effective production controls, with an effective county and township committee system working with farmers, encouraging farmers to cooperate with the production program and the control program, there were much better cash prices in the market for grain and other farm commodities. Furthermore, there was much better control over production itself.

I desire to emphasize again that no farm program can work unless there is farmer participation. I wish to re-emphasize that a Secretary of Agriculture

cannot, nor can the entire Department of Agriculture, make a farm program work effectively unless there is an understanding of that program at the grassroots level, at the farm level, at the township level, at the county level, and at the State level.

I think the greatest single mistake of this administration has been, and will be recorded to be, the manipulation of, the weakening of, and the outright politicking of the farmer elected-committee system. The farmer-elected committee system, which has been a part of our agricultural program for almost 25 years, has been weakened to such a point that throughout the Nation, particularly in the Midwest, in the great bread-basket of America, there is no longer faith and confidence in its efficacy or in its policies and proposals.

I regret to have to say this, but it is true. I have yet to go to a single State where a delegation of farmers has not called upon me and asked me, as a Member of the Senate, what could be done to restore again the integrity and the autonomy of the county committees. They were formerly called PMA committees. They are now called ASC committees.

When Mr. Benson, by regulation—and I emphasize, by regulation—decided that no individual member of a farmer-elected committee could serve for more than 3 years, he literally kicked out of office the trusted, tried, and experienced farmers of the Nation. But, worse than that, after changing the ground rules as to the period of service members of the county and township committees could have, he proceeded to change the rules as to their function. He put those farmers in an advisory capacity, and then he proceeded to limit the amount of advice they could give, the number of days they could serve, and the amount of time a day they could give to the program.

Mr. President, by the slow process of attrition—slow, but also determined—the Department of Agriculture is wrecking the entire administrative framework of an effective farm program.

As soon as this bill is completed, Mr. President, I am going to proceed with further hearings on the farmer-elected committee system. I have held hearings in the field, and I have held hearings here in Washington; and I shall proceed further. I want the Secretary of Agriculture to come before our committee and testify. I do not want some 33d assistant to do so. I want to hear from the man who is supposed to be running this program; and I want the representatives of the Secretary of Agriculture who will read this RECORD to take it to him—as I have written to him—and point out to him what I have had to say here about the mismanagement of the farmer-elected committee system.

Mr. President, weeks ago I wrote about this matter to the Secretary of Agriculture. I pointed out some of the testimony we received and some of the charges which have been made, and I pointed out what I believe to be some



of the outright violations of law which this Department is condoning. I repeat that this Department is condoning outright violations of law; it is paying people, and keeping them on the payroll, after they have been fired.

In Missouri, I found case after case where the county manager of a farmer-elected committee at the county level had been duly dismissed under all the rules and procedures of the Department of Agriculture; he had been fired by the county commission which has jurisdiction over that county manager. But the county manager is still on the job. Why? Because the political boss at the top said, "Stay there." I repeat, Mr. President, that the political boss at the top said that to the county manager, who had been fired; and that manager is still running the program in the county.

Mr. President, these State committee members are not appointed by the State; instead, they are selected by the Secretary of Agriculture. In all too many instances the State committees are denying authority and responsibility to the local committees. The State committees are removing elected officials—officials elected by their own neighbors; and they are being removed on the ground that they do not agree with the State chairmen. That sounds more like Russia than the United States, Mr. President.

All these matters have been brought to the attention of the Department of Agriculture. Everything I am saying is a matter of documented evidence. Every witness testified under oath.

Furthermore, in the Missouri hearings, members of the State committees openly admitted that they had been dismissing such officials simply because the persons dismissed refused to take dictation from the top, even though the rules and regulations did not require the local county committee to take such dictation.

Mr. President, at this time I shall not proceed further to discuss this matter; I shall discuss it later. However, I wish to repeat that no matter what kind of law the Congress may write, it will be no better than its administration. One point which needs to be emphasized—and I am very happy to know that the Senator from New Mexico [Mr. ANDERSON], in his very fine statement over the Columbia Broadcasting System, on last Thursday, cited the weakness of the administration—is that the administration of this farm program has gotten so out of hand that, today, there is no confidence in the rural areas, on the part of those who are supposed to be participants.

Mr. President, later in the debate, no doubt, some Senator will say—for example, in regard to corn—that the corn farmers do not participate, and do not utilize the crop loans, and simply do not comply. Mr. President, they used to comply. The reason why they do not comply now is that there is no incentive for compliance. What is more, there is incentive for noncompliance. The record of participation by farmers in the Benson-Eisenhower farm program is the lowest in the history of the agricultural program since 1933.

If there is one word in the Republican dictionary that really has a sort of holy and sacred tone or atmosphere about it, it is the word "efficiency." As I have said many times before, that word is not to be found in either the Old Testament or the New Testament or the Declaration of Independence or the Constitution of the United States or the Magna Carta or the Emancipation Proclamation or the Atlantic Charter. But all at once that word has become the great symbol of Government—"efficiency." Mr. President, even if we were to agree that efficiency is as important as the businessminded administrators would like to make it appear to be, I charge that the present administration is grossly inefficient; in the operation of the farm program, it is guilty of the worst kind of inefficiency. Even today, in the other House, Members of the party of the Senator who now is presiding in this Chamber [Mr. CASE of South Dakota] have had to call the Commodity Credit Corporation, to prevent it from taking barley out of the storage bins in country elevators, and dumping it into the big warehouses, thereby bringing that great volume of grain into central points, and having a very depressing effect upon the market. I am sure that in recent days every Senator from the farm States has received telegrams from grain operators and grain markets and country elevator operators and farmers, saying that again the Commodity Credit Corporation is engaged in one of the operations which is having a price-depressing effect upon the market.

Mr. President, what the Department of Agriculture needs is some farmers to help run it. The first thing the administration did was to drive the farmers out of the Department of Agriculture. Now the administration is driving the farmers off the land. Today, the job of finding a farmer in the Department of Agriculture is like the job of finding a needle in a haystack. I regret to say that the Department of Agriculture has become the haven for processors, speculators, and financiers. What is more, Mr. President, they are running through the Department as if they were on a 6-weeks seminar. They come there, and spend a few weeks or a few months, and then return to the private trade. While they are in the Department, they learn the tricks and get the information; and then they are gone.

There was a time when the Department of Agriculture had room for farmers. Of course, I know it will be possible to point out that there are still a few farmers in the Department of Agriculture. There is no doubt about that. I wish to say for the man who came into the Department to take over some of the duties of the farmer committee system—Mr. Hughes—that he has made some improvements. The first improvement he made was to reverse everything Secretary Benson had done in March and April of 1953. In other words, after the Secretary of Agriculture had pulled his political coup, had made his master political stroke of preventing farmers from serving on committees if they had ever been elected for more than 3 terms of 1

year each, after Mr. Benson had disrupted the whole program, now, a year and one-half or 2 years later, they say, "I think we made a mistake. Senator HUMPHREY, you were right."

Mr. President, I got in touch with them immediately when they began to upset this program. Representatives of the Department of Agriculture testified before my subcommittee that they did make a mistake, but they have not remedied or repaired all the damage they committed. Furthermore, they cannot repair it, because farmers no longer have faith in them; and when the farmers lose faith and trust, we lose the heart of the program.

Mr. President, I wish Members of the Senate would consult the grain merchants who are trying to operate in the private grain business, as to their attitude toward some of the Commodity Credit Corporation operations in recent years. Those grain merchants were always somewhat critical of the Commodity Credit Corporation. That surely is a matter of record. Under the Democratic administration they had justifiable complaints about the way the Commodity Credit Corporation was operating. But one of the largest grain markets in the world is at Minneapolis, Minn. A little more than 2 months ago I was at home for a special meeting with members of the Grain Exchange. They wanted to tell me about some of their complaints. I thought possibly they were going to scold me or admonish me about my position with respect to price supports. They did not do that. As a matter of fact, some of them agreed with my position.

They told me that the present operations of the Department of Agriculture are making it practically impossible for them to do business. They are beginning to think now that the Democrats were the real apostles of free enterprise—as we always have been. Senators should hear their comments about the present so-called free-enterprise administration. We did not even get around to discussing Khrushchev and Bulganin. They came in second on the popularity totem pole. The main reason is that the Department of Agriculture does not know what it is doing, where it is going, or how it is going to get there.

It has upset normal markets time after time; and, as I have said in committee, in public, and on the floor of the Senate, it has played loose and free with the grains and commodities in its hands, frequently at the expense of the producers and often the sellers in the free market.

What I find most interesting in our discussions over agricultural policy is the fact that this Department and this administration seem to be unconcerned with the complaints which are registered day after day by farmers and industries engaged in farm marketing operations.

I also find it rather difficult to know why the reports of advisory committees in the Department of Agriculture are not made available to the Committee on Agriculture and Forestry. I want to know why it is easier to get a report from the Department of Defense as to the location of American forces and the strength of American arms than it is to



get a report from an advisory committee to the Secretary of Agriculture. The Atomic Energy Commission is declassifying so-called secret material day after day, week after week, and month after month; but the Department of Agriculture refuses to declassify reports of advisory committees with respect to particular commodities, and other matters relating to the Department of Agriculture.

The only way I can get any information is to find the advisers, develop some friendship and understanding with them, and then ask them for the information. This I have done; and, as I have previously indicated, I am shocked when I find out what advice has been given to the Department, and how seldom it has been followed. I am equally shocked when I find out that the Department is unwilling to share these advisory reports with Members of Congress.

Our appointive officials should be made to realize that they are appointed. They are servants, every bit as much as are those of us who are elected. The experts are supposed to be on tap, and not on top. These so-called experts are frequently called from private industry and private walks of life. Once they are appointed they begin to feel that they are really the bosses. The Congress of the United States is supposed to establish policy, and the Congress of the United States has the right to expect the administration to carry out that policy.

To give a good example of what I am talking about, when we had before us for consideration the Agricultural Act of 1954, we amended that measure in the Senate so as to provide for the restoration of the farmer-elected committees, on the basis on which they had been operating prior to 1953. That was my amendment. The amendment I offered would have restored the farmer-elected committees to the same position that they held up to January 1953, namely, with the right of local farmers to elect their committeemen without restraint from the Secretary of Agriculture.

There was a great debate in the Senate over that proposal. The vote was very close, but the majority vote was for the amendment.

The amendment was preserved in conference. Then the legal advisers to the Department of Agriculture explained it away. The lawyers said it did not mean what it said, despite the record, despite the legislative history, despite the words of the amendment.

We cannot beat a system like that so long as the officials in the Department have the final word in interpretation. It is because of my feelings on this subject that I believe we must write into these bills specific language. One of the complaints I have with respect to the proposed legislation is that it would confer great discretionary powers upon the Secretary. We reconciled our doubts and our differences by giving the Secretary broad authority to pay rather substantial benefits to the participants in the soil-bank program.

I must say, in all candor, that I am receiving hundreds of letters from farmers asking me, "How do you know that

the Department of Agriculture will pay the benefits which have been indicated in the newspapers?" The writers of such letters ask me, "Senator HUMPHREY, how can you be sure that the Department of Agriculture will keep its word?" I am compelled to write back and say that I cannot be sure. We had no information before us which would afford the basis for a firm formula. Therefore, we had to give discretionary authority to the Secretary for the payment of soil-bank benefits.

It is interesting to note that the so-called Eisenhower soil bank program, which is heralded so widely by the propagandists, was so late in preparation by the administration, so recent in its acceptance, that representatives of the Department of Agriculture, when they came before our committee, were unable to give us any specific information as to how it would work. I ask anyone to go to the files of the committee to see if what I have said is not true. The great Eisenhower farm program, which has been heralded in paid advertisements, was so indefinite, so ambiguous, and so uncertain that the officials of the Department of Agriculture, when they were asked by the committee about it, were unable to testify in detail as to what it meant, how it would operate, and what the benefits would be.

To be sure, they worked feverishly day and night until they prepared some kind of bulletin explaining how the benefits might work or may work. I wish to underscore the words "might work" and "may work."

The memorandum to which I have referred is a part of the report on the pending bill.

I repeat that this great, bold new concept of agriculture which the administration now heralds, known as the soil bank, was so discredited, so opposed, and so objected to by the administration until December that its spokesmen did not have time, when they became converted or changed their attitude, even to develop detailed testimony as to how it would work.

I am happy to say that before all the hearings were completed, we did get some idea of what they thought might be involved. I believe the RECORD ought to be clear that the reason the soil bank proposal is as broad and wide in its scope as it is in the pending bill, particularly in the acreage reserve section, which is the administration's proposal, is that the administrative officials of the Department of Agriculture were unable to give us a formula which we could use and to which they were willing to firmly affix their name and be held committed to.

I hope the public will clearly understand that there are two aspects of the soil bank. One is the acreage reserve section, and the other is the conservation reserve.

The acreage reserve provision is the administration's special product. It is the one which, according to the mail I have received, is objected to the most. It is the proposal which will help the small farmer practically not at all. It will give the small farmer little or no help.

I shall discuss the acreage reserve section at the time it comes up for a vote. However, I wish to make it crystal clear that the acreage reserve section contained in the bill is designed primarily to get the administration out of its own mess.

The administration has accumulated surpluses. The administration has refused to apply the necessary production controls. The administration has built its own trouble, and now it is asking the Congress to appropriate \$750 million to get it out of its own mess.

Let us not forget that the acreage reserve section in the bill applies to allotted acres. The allotted acres for the crops under allotment are supposed to be equal to the amount of domestic production which is needed, taking into consideration the reserves and the surpluses.

Let me restate it. The allotted acres represent the judgment of the specialists in the Department of Agriculture as to the maximum amount of production which ought to come on the market in any one year.

The acreage reserve provision merely says to the farmer: "We would like to have you take out another 10 percent of the allotted acres," or perhaps 15 percent or 8 percent, or whatever they can get the farmers to take out of production.

Why is that, Mr. President? It is because the administration's program in agriculture has been so fouled up, so mismanaged, and so misdirected that we find ourselves with huge stockpiles of food and fiber.

Furthermore, the administration has so built up its so-called monstrous surplus concept that it is stuck with it. The administration has been using propaganda about the so-called mounting, monstrous surpluses to such an extent that they have convinced the public that the surpluses are uncontrollable. They have almost convinced themselves. At least they have convinced the public to such an extent that they must do something about getting out of a mess they themselves have created.

Let me put it succinctly, Mr. President. They have so misrepresented the situation, and have engaged in such distortion of the amount of surplus commodities, that the only way in which they can possibly face the public in an election year is to pay and pay and pay, with taxpayers' money, to feed the surpluses back into the normal markets and back to the farmers.

If they had been running the program efficiently, we would not need the acreage reserve section. We could be concentrating our attention on the conservation reserve section in connection with long-term reforestation and with taking some of the semiarid land out of production, as well as building ponds, terracing, and putting some of the less productive land back into grassland.

All that would have been good for the Nation, it would have been a long-term good.

I should like to have my colleagues note, and I want the RECORD to show that the administration recommended \$350 million for this area, for the long term. It was much more interested in the short term, to get itself out of its own trouble,



than it was in long-term benefits for this great Republic.

I am supporting the soil-bank provisions, because, even though I should like to see the administration have to face up to its own mismanagement, as it will in this election year, I do not wish to have farmers punished any more and discriminated against any longer because of the administrative stupidity and the colossal administrative mismanagement of the Eisenhower-Benson farm program.

The Minneapolis Star published an editorial on Saturday of last week, in which it discussed at some length the appearance of the Senator from New Mexico [Mr. ANDERSON] and myself on a CBS program, in our reply to Secretary Benson. The editorial noted that the Senator from New Mexico support flexible price supports and that I supported 90 percent of parity. The editorial said we made strange bedfellows.

There is nothing strange about it at all. There is an honest difference of opinion about price-support levels. I do not impugn anyone's integrity or motives because he feels the price-support structure should be different from the one I support.

However, there is one thing that both the Senator from New Mexico and I are agreed on, and that is that the present administration of the Department of Agriculture is inexcusable and that it is a monument to mismanagement.

I should like to point out again for the record that in one paragraph of the editorial published in the Minneapolis Star, there was a misstatement of fact. That misstatement was that while the Senator from New Mexico was Secretary of Agriculture his administration of the Department of Agriculture was carried on very much along the line of the administration of that Department by Secretary Benson, and that the Senator from New Mexico, as Secretary of Agriculture, administered the same kind of program that is now being administered by Secretary Benson.

Of course, that is not true. The Secretary of Agriculture in 1945, 1946, and 1947, was administering a 90 percent of parity price-support program. Mr. Benson is not administering such a program. He is administering a flexible price-support program.

I merely state this for the RECORD, Mr. President, because I commented upon it many times in Minnesota over the weekend.

During my discussion of the agricultural situation, Mr. President, we have looked at the present plight of agriculture and how it got into such a fix in the past 2 years.

Before we proceed with discussing what can and must be done to correct this situation, it should be helpful to review the background history of our farm programs, to look again at the objectives we seek to achieve, and then set up some guideposts for measuring how well our legislative proposals approach those objectives.

One of the regrettable and unfair circumstances of our time is the way many newspapers and periodicals have singled out agriculture as the lone whipping boy for criticism of Government intervention

to soften the peaks and valleys of free-market risks.

Looking back into history, the truth becomes apparent that agriculture has always been last and latest rather than first in getting public policy shaped toward a climate for favorable economic opportunity.

There is a public interest responsibility toward agriculture that cannot be ignored under our constitutional mandate to promote the general welfare.

Our Government early recognized the public's interest and the Nation's welfare in a strong agriculture—in a family-farm type of agriculture—by opening up vast public lands to homesteading in order to encourage agricultural expansion and farm ownership.

By making such opportunities available the Nation was repaid many times the value of its investment in agriculture's future.

And, if I may be pardoned an aside, I very much doubt if the moral fiber of our pioneering fathers was corrupted by accepting that homestead subsidy of free land.

As our Nation embarked upon its industrial development it was business and industry, not agriculture, that first shunned the risks of the free market and asked for aid and protection by law—the tariffs, the grants and subsidies, the power of regulating production and competition—to assure reasonable profits.

As a new aristocracy of industrial barons developed in our country, their influence upon Government resulted in public policy being designed more and more to serve their own ends, at the expense of American agriculture and the American workingman.

Our economy grew out of balance, and weaker became the foundation upon which it was all based.

The rich grew richer and the poor grew poorer, until the bubble had to burst.

I need not, I am sure, remind the Senate at length of the great depression.

The senior Senator from Montana [Mr. MURRAY] has described the situation in detail in his presentation of the farm bill.

Most of us remember all too well that tragic period in our economic and political history.

Agriculture, as usual felt its impact first, longest, and hardest.

Agriculture was and is today the bellwether of our economy.

Yes, Mr. President, if agricultural income had been kept up even at the levels of 1952, General Motors and Chrysler would not have to be laying off workers. They would still be able to sell automobiles which they planned to sell.

I should like to make the prophecy that if the decline in agricultural income continues, some of the great industries of this country, particularly the automotive industry, will feel the impact. I am not saying their profits will be less, because they have ways of being able to maintain profits, but their production will be less and they will be laying off workers.

It has been in agriculture that the first symptoms of trouble have developed in every great economic crisis this country has ever faced. That is where the

symptoms first strike, and then spread to the main streets, the factories, and the homes of all America, rural and city alike.

Mr. President, no matter what the public may think has been the cost of the farm programs, let the record be crystal clear, that the cost of the American economy caused by the drop in farm income in the past few years has been many, many times greater than the cost of any aid or assistance the Government may have given to agriculture. How foolish can we be? We have permitted a great segment of our economy to become depressed, thereby denying the total economy billions of dollars of untold wealth, yes, thereby denying the Federal Treasury tax revenues which could have been obtained. If agriculture had been prosperous; if we had done a little better job; if this administration had been willing to do a better job, willing to move quickly when there was need to move, we could have maintained many billions of dollars of assets which have now been liquidated. We could have continued to maintain billions of dollars of gross and net income which have been lost and which can never be reclaimed.

Out of that depression of the 1920's and 1930's we learned that the cost of depression is far greater, in money and human misery, than is any cost of maintaining a sound and prosperous nation.

From the despair of the great depression agriculture united in a historic fight for rightful recognition of the importance of its role in American life.

It brought forth a great concept so in keeping with the principles of American democracy that it has earned a permanent place in America's economic life—the parity concept of equality for agriculture.

All of the efforts down through the years by our great organizations of farmers became solidly pinpointed toward one major purpose: The clear declaration of public policy that prices and income of farmers should be maintained on a basis of parity with industrial wages and industrial prices.

None of us should ever forget the fight it took to establish the parity concept of equality for agriculture as the law of our land.

The great voices of that earlier historic battle for farm parity—the voices of the agricultural statesmen of that day—Ed O'Neal, of the American Farm Bureau Federation; Louis Taber, of the Grange; and, yes, the great voice of the Midwest's own hard-hitting Bill Thatcher. These voices refused to be silenced.

They knew they were right.

They knew they were not only fighting for farmers.

They knew they were fighting for the sound economic welfare of America—for the country they loved.

It was not an easy fight.

Powerful forces were arrayed against them.

A strange coalition of the uninformed, the ill-advised, the men of little faith and little vision, looking backward instead of ahead, was molded together and manipulated as a "front" against agriculture.



Let me make myself clear: Fair-minded Americans—and I think most Americans are fair-minded—have never been against decent prices and fair and equal treatment for agriculture or for anyone else.

But always in any society there are a few who refuse to look beyond their own money-counting tables, regardless of the public interest that may be involved.

It is always these vocal few who raise the entirely false cry of government interference with "free enterprise," when their own toes are stepped upon in order to assure the benefits and blessings of free enterprise to all the rest of us.

But all the misleading attempts to distort agriculture's just plea for equality failed.

We became realists about our economy, and the world in which we live.

We recognized that there no longer existed a complete free exchange of goods and services—a complete free market.

Instead, we faced up to the fact that we work and live in the midst of protective regulations by government—firm prices administered by business—fixed costs established by accepted standards of fair wages and reasonable profits in other segments of our economy.

Federal reserve regulations—utility and transportation rate fixing—tariffs to protect industry—minimum wage laws—the Fair Trade Practices Act to eliminate unfair price cutting—and subsidies to shipping firms, airlines, and newspapers are but a few of many examples of what I call built-in protections.

The farmer has never lost his spirit of independence—his willingness to work—and to work hard.

But the world about him has changed. The ways of farming have changed. The world in which he must compete for survival has changed.

Man-made changes have hemmed him in on all sides by a complex—legislated economy—in which he has too often become the forgotten man.

None of us can thwart the tide of change.

The hands of time can never be turned backward.

Our task is to keep abreast of change—to keep pace with the progress and the problems it creates—and to look to the future.

All the talk about a free market is mere talk, talk, talk. It is good conversation for the classroom, but every man of any maturity, judgment, and experience knows that the free market is only partly free. Every businessman knows that there are a number of built-in protections and restraints on the part of Government and of industry itself which condition the so-called free market.

I have often wondered what the rest of the American economy would be like if every morning when a businessman woke up he had to depend upon the open market for the price of his goods. The farmer, when he gets ready to sell his grain, has to depend on the prices of the day—the prices of oats, wheat, corn, cotton, eggs, pork, beef. Those prices are never

the same 2 days in a row. Every day there is a fluctuation of prices.

I should like to be able to bid for an automobile in that manner. Perhaps if we are to have farmers operate on the free market, the automobile manufacturers ought to be put on a free market. Let General Motors take bids every day on what we Americans will be willing to pay for their cars—and not at the dealer level. There is much bidding at the dealer level. Let us have the bidding at the manufacturer's level. The farmer is affected at the producer's level.

Let the General Motors factories produce the maximum output of cars, and then let us would-be car buyers simply bid, and see what price we can get. How long do Senators think General Motors would remain in business? Oh, perhaps a month or two. They surely would not last much longer.

But the newspapers, periodicals, and so-called experts tell the farmer every day that he should be on the free market. The farmer never knows whether eggs will be 12 cents a dozen or 50 cents a dozen. He never knows whether hogs will sell for \$20 a hundredweight or \$9 a hundredweight. He has no way of knowing. He is the only member of the economy who is in that situation.

The workman has a collective bargaining agreement or contract with his employer. He knows that if he goes to work he will receive so much an hour. Members of the Senate and the staff of the Senate know how much they will receive every month. But a farmer does not have the slightest idea what he will get for his commodity, and he has no control over its price. He cannot say, "I want 50 cents a dozen for my eggs." The Ford Motor Co. can say, "The price of this car is \$1,700," or "\$2,100," and that will be the price. But Mr. Farmer must take what the market will give on the basis of open, competitive bidding.

I say to those who have been critical of the price support programs and agricultural programs that before they become too critical, they should ask themselves the question: "Am I willing to accept the same market conditions which a farm producer has to live with?"

My family operated a small business. I would have hated to see the day when we had to have the prices of commodities on our shelves determined by open, competitive bidding every day.

No; Mr. Farmer is the one who is left out in the cold, so to speak. He has a free market. Everyone else has a fixed market, a legislated market, and administered market. The farmer cannot win under those conditions.

It was because he knew that he could not win, it was because Mr. Farmer knew he was the victim of the gyrations, the ups and downs, of the so-called free market, that he came to his Members of Congress, and said, "Give us some legislation. Give us some marketing programs. Permit us to develop farmer cooperatives and producer cooperatives. Give us commodity loans, so that we can hold our grain and our produce for the best available market."

What the commodity loan does is to permit a farmer to obtain a loan of

money upon a commodity which has been produced and which has a certain value, and thereby to be able to hold that commodity until it can be sold under the most favorable conditions in the so-called free market. The whole price-support program is another form of orderly marketing. Without orderly marketing, there can be no economic hope for a farm producer.

If the farmer must compete in a legislated economy, to ask him alone to exist by the simple standards of a bygone generation is like asking our super-highways of today be governed by traffic rules of the horse-and-buggy days.

Only confusion and tragedy can result.

In a democracy dedicated to serving all the people, what is wrong with farmers asking the Government, their Government, to remember that they, too, must be able to keep pace with the times and must have traffic rules that do not leave them by the wayside as everyone else zooms past on the highway of modern life and modern living?

Government, our Government, has the obligation, under our Constitution, to promote the general welfare—not the welfare of the few at the expense of the many.

Congress recognized that obligation in declaring it to be the policy of our country that prices and incomes of farmers should be maintained on a basis of parity with other segments of our economy.

With full parity as its goal, our Government launched a courageous and historic series of national farm programs aimed at achieving that objective.

From time to time those programs have been changed, improved, and adapted to agriculture's changing needs; but always the same objective has been spelled out—the objective of parity prices and parity income.

Let me say right now that it has taken nonpartisan support from the great farm States of our Nation to maintain our strides toward that objective, and to withstand the powerful pressure that would divert us.

It has taken the wholehearted support of men who know and understand agriculture—and men with plenty of gumption to stand up and be counted—sometimes against their own colleagues and against their own administration.

We have made progress—tremendous progress—under the stabilizing influence of our national farm programs.

Hand in hand with the concept of fair returns for agriculture came other great strides forward in American farm life—reasonable credit, sound conservation, rural electrification.

We have tossed out the kerosene lanterns and have brightened the rural countryside with electricity.

We have eased the drudgery of farm life by bringing the blessings of modern conveniences and modern power to the farm. How much more of this can be done? A great market is yet to be explored and developed if agriculture can obtain its just share of the national income.

We have checked the depletion and waste of America's potential productivity by lifting the face of the rural coun-



tryside through sound conservation farming. Here again there is so much more that needs to be done. No wiser investment ever could be made than in conservation.

Up to 1952, we had breathed new life—and new hope—new opportunity—into a prostrate rural America. And with it we breathed new strength and new stability into the entire American economy.

We did it by keeping our eyes on a common goal—equality and justice for agriculture, comparable to what we provide for other segments of our economy.

Yet, in a few short years, our drive forward has not only been halted, it has been turned backward.

We are still far from our goal—far from the original objective of equality which agriculture started out to achieve.

There are still forces at work to divert us from that objective, both through misguided differences of opinion over methods of achieving it, and deliberate intent to keep us from achieving it.

Together they make a formidable foe. By devious means, they seek to divide and divert the farm unity of this country.

They try to turn consumers against farmers, to turn farmers against labor, and labor against farmers, and even to turn farmers against farmers; they try to split the farmer's own household against him, commodity by commodity.

Now let me say, Mr. President, that one of the most unbelievable, outrageous maneuvers I have ever witnessed has been taking place here in the past couple of weeks. The Secretary of Agriculture is playing off one commodity against another, playing politics with the farm program—proposing a corn program for some Senators in some areas, a cotton program for other Senators in other areas, or a rice program, or a tobacco program. He has been trying to play one off against the other. I warn my colleagues that if this subtle, insidious bait is swallowed, the whole farm program will suffer.

The Secretary of Agriculture, and his advisers from the White House, or his superiors, have engaged in the most flagrant and blatant kind of politics with the farm program. First, they misrepresented the farm programs of the past. Second, they exaggerated the proportions of surpluses. Third, they tried to divide the farm population and the farmers from city folk, and to spread distrust and engender outright antagonism between farmers and workers. This is unbelievable.

By the way, Mr. President, there is in Minneapolis, Minn., now a farm forum, sponsored by the Minneapolis Chamber of Commerce. I should like to commend to the reading of the Members of the Senate a speech which was delivered there yesterday, relating to labor costs in agricultural production; in other words, labor costs in the production of processed farm goods, such as meat products.

Mr. Benson has made some rather serious charges in his political tours around the country. He has stated that labor is the cause of the farmer's plight; that it is labor costs which have brought about the trouble. Those are rather broad and all-embracing charges; but, as

usual, there are few, if any, facts to support them.

Representatives of the American Federation of Labor and representatives of the Congress of Industrial Organizations have released statistical tables and economic reports to point out the inaccuracy of and the outright distortion in Mr. Benson's comments.

Tomorrow I shall bring to the Senate copies of the speeches, and ask that at least those sections which are pertinent to this particular problem of labor costs be made a part of the Record.

I am happy to note, however, Mr. President, that at least in the State of Minnesota farmers are not being misled. No, Mr. President; our farmers know what is wrong. There are two things wrong. Farm prices have gone down, which situation has brought about a decline in farm income. They know that. Secondly, they know that the Eisenhower-Benson farm policies are wrong. If both those situations can be corrected, a laboring man will still have a good wage and earn a good living for his family, and a businessman will still be able to make a fair and reasonable profit.

Our farmers know that well paid workers eat food, and high quality food, and more of it. Our farmers know that a businessman is entitled to a fair return on investment and sales. And our farmers are not buying or believing Mr. Benson's statements to the effect that the way to cure the agricultural problem is to attack other groups in our society.

Mr. Benson's thesis is that since agriculture is down in the ditch, the way to help agriculture is to get everybody else down in the ditch; then they will all be at the same level. Mr. Benson has made that crystal clear in two speeches, one delivered in San Francisco and one in New Orleans.

In San Francisco he said it was labor costs that were contributing very greatly to the farmer's price squeeze. In New Orleans he pointed out that it was the profits of industry that were responsible.

I wonder if the Secretary of Agriculture and the President, for whom the Secretary works, have ever thought it might be their fault. I wonder if they have ever given thought to the fact that possibly it was the programs, the policies of the Eisenhower-Benson farm programs, and the administration of those programs and policies, that have caused the trouble. I suggest, most politely and respectfully, that they look into that particular observation.

Mr. President, I have commented on the fact that there have been efforts to turn consumers against farmers, farmers against labor, labor against farmers, and even farmers against farmers; but I am happy to report that those who have engaged in those efforts are failing, and failing miserably.

American labor is still the farmer's best friend, and American labor is supporting 90 percent of parity. American labor is supporting an expanded farm credit program, an expanded soil conservation program, a rural electrification program, a farm marketing program, a farm research program.

Farmers know that laboring people are the farmer's customers, and laborers also know that farmers are their customers. In other words, American labor has not forgotten the grim lessons of the past. The American farmers, above all groups, are worried about the danger symptoms of the present, and the symptoms of the present are strangely similar to those of that period of peace and prosperity of 1929, 1930, 1931, 1932, and 1933.

Then, too, there were people in high places who were giving out soothing syrup. Then, too, there were people in high places in Government telling us that all was well. Yes, then, too, there were people in Government who were apparently unconcerned, or who exercised too little concern, about the troubles in rural America. Then, too, there were men who said, "Look at the stock market. Look at the all-time high."

There were others who were trying to remind those same spokesmen that they ought to look at the farm market. But no one paid very much attention. I repeat, Mr. President, there seems to be a sort of a repeat performance both in Government and throughout the Nation.

Then, as now, we had a popular President. Then, as now, we had an administration farm program. Mr. Hoover had a farm program. Of course, it was no good; it did not work. But he had a farm program, and it was much advertised. It had the support of almost all the editors, although it had little or no support from farmers. But there was a great ballyhoo about it, and people were led to believe that it was the last word in agricultural policy. The so-called experts were in favor of it. The only thing wrong with it was that it did not do anything to help farm income.

Today, the situation is almost identical with that one. Today, we have a popular President. Today, the New York stock market is at an all-time high. Peace and prosperity are with us now, as they were in 1929 and 1930. Today, we have a farm program which was at least suggested by the administration; and even though it did not see the light of day in Congress, it has seen the light of day in newsprint. It is being ballyhooed. It is being described in terms which are befitting a Hollywood extravaganza. One would almost think there was a new movie production called the Eisenhower farm program, starring such great farmers as Marilyn Monroe, Clark Gable, and other talented actors and actresses.

Mr. President, it is somewhat disturbing to me to note that this administration can proceed along the same lines followed by one of its predecessors, and not be concerned. Of course I know the administration has political concern. I have never seen so much sudden concern over a problem as the concern the administration now seems to have in regard to agriculture. Every 4 years the Republicans get the agricultural itch. Every 4 years the rural blood surges through their city veins, and they indicate to the American people that the GOP is the great friend of the farmer.



Mr. President, I wish to be very fair about this matter. There are many Members of Congress of the Republican persuasion who are friends of the farmer and friends of small business. I regret to say, however, that those Members of Congress have little or no influence upon the policymakers. The most able Members of this body in the field of agriculture are in opposition to the present administration's policies. Republican Senators who should be listened to are told that they should support the Eisenhower farm program.

Mr. President, if Eisenhower's farm program would apply only to his farm at Gettysburg, I would support it. But I do not want it to be applied to any farms in Minnesota. If Benson's farm program would apply only to whatever farm he may have in Utah, then I would support it. I want to be charitable. But I do not want his program applied to any of the farms in Minnesota. What is more, Mr. President, none of the farmers seem to want it, either.

If we can help this administration get a program for Eisenhower's farm and Benson's farm, so they can have a farm program, I will vote for it—anything to please them, so long as my vote to please them does not do disservice to the great constituency of the United States of America.

Mr. President, it is strange, to me, that with all the experience and talent available in the House of Representatives and in the Senate from the great farm areas, men such as the two Senators from North Dakota [Mr. LINGER and Mr. YOUNG], the two Senators from South Dakota [Mr. MUNDT and Mr. CASE], the senior Senator from Minnesota [Mr. THYE], the distinguished Representative from Kansas [Mr. HOPE], and others of whom I can think, are ignored, in so far as their advice is concerned. It is amazing to me to note that their advice is not followed, instead of the advice of some advertising agency.

I wish to say that if their advice had been followed, this administration would have a farm program of which it could be proud. I wish to say with equal candor that in that event the Democrats would surely be in hot water politically, because then every farmer would be so appreciative of the program of the administration that there would not be a chance for a Democratic candidate in very many of the precincts. But, Mr. President, you can always depend upon the old guard of the GOP not to follow the right advice.

I have never claimed that the Democratic Party was particularly shrewd or possessed unusual talent. I merely claim that one can always depend upon the inside leadership of the Republican Party to create situations which are so intolerable that even the small mistakes of the Democrats are excusable, and become almost like virtues.

I should like to recommend to the President and to Mr. Benson that they call in the talented, experienced Members of the House and the Senate from the great farm States, where farm production is the vital business, take their advice, and follow their advice. If that were done, if the President and the Sec-

retary of Agriculture would do that, I would say they would have plenty of bipartisan support for their farm program.

But instead of doing that, every conceivable pressure is being applied to get Midwestern Republican Senators and Representatives to vote for the Eisenhower-Benson farm program. Many a Member of Congress has had to stand up again and again and say to the Republican committees in his home State that he simply cannot vote for the Eisenhower-Benson farm program. Why? I am sure none of my colleagues would say he could not vote for it simply because of the danger of losing votes. I am sure all of us are principled. I am sure the reason why Members of Congress cannot vote for the Eisenhower-Benson program is that it does not make any sense.

But, Mr. President, the administration has advisers; it calls in some of the investment bankers and asks them, "What do you think we should have for a farm program?" The administration also calls in some of the chain-store operators, some of the supermarket operators, and asks them, "What do you think we should have for a farm program?"

Mr. President, if such procedure is to be followed in respect to agriculture, I suggest that the next time the administration wants to design a policy for the banks of the country, for the financial community, it call in members of the trade unions and farmers, and let them formulate the credit policy.

It would be a little different from the one we now have. Of course, it would be as foolish—or as unwise—to do that as it would be to let the administration design the farm program under the present advice it is willing to receive and honor. I should like to have some of my friends on the other side of the aisle explain to me why the administration is so adamant, and why it is so unwilling to accept their advice and counsel.

I was talking about how those in the labor movement understood the situation, and wanted farmers to have decent prices and decent incomes, just as they want such goals for themselves.

They are the farmer's customers, yet they know the farmers are their customers, too. They, too, have not forgotten grim lessons of the past; and they are worried about dangerous symptoms of the present.

They want farmers to have decent prices and decent incomes, just as they want such goals for themselves.

They know that only in a well-balanced expanding economy can higher living standards be maintained for all: Farmers need more of such understanding among consumers. But the forces historically alined against farmers have gained on another front. They have split the ranks of agriculture itself.

At a time when unity of purpose is needed in agriculture as never before since the great crusade of 1933—new leadership of some major farm groups has wavered from the very objectives upon which their own organizations grew great and powerful.

In the heat of controversy over how such objectives can best be achieved, willingly or unwillingly they have allowed themselves to be diverted from the objectives themselves.

Where now are the voices of Ed O'Neal and Louis Taber—forceful voices crying out for full parity, for full equality of economic opportunity for agriculture?

Mr. President, the unity of purpose which has been so important for agriculture should be restored at once. I am very much pleased to see at least two of our great farm organizations working pretty much together in harness; and I must say that I am more and more pleased, as the days go by, to see one of the other large farm organizations agreeing more and more, in principle and detail, on the objectives which have been the historical objectives in the fight for parity.

Thank God the great voice of Bill Thatcher has never been stilled, has never wavered, has never been sidetracked from the main line of agriculture's fight for full economic equality. Agriculture needs such vigorous champions today. Agriculture would do well today to harken back to the wise words of Ed O'Neal in 1941, when he prophetically said:

The issue raised is very clear \* \* \* that issue is whether the parity objective is to be a reality for American farmers—or whether it is to be merely an illusive mirage—constantly dangled before the eyes of farmers but which they are never permitted to attain.

Now, as then, that is the issue. The issue is joined; the battle lines are being drawn.

On the one hand, we have those lacking faith in democracy—men of little vision and less confidence in America's ability to maintain a dynamic, expanding economy. Apparently they fail to understand the necessity of maintaining a dynamic and expanding economy. I hesitate to use the term, but they are frequently called the "flexers." They hold to a philosophy of scarcity, and an outmoded philosophy of survival by jungle laws alone.

On the other hand, we have those holding firm to the conviction that Government in a democracy must promote the general welfare with equality of economic growth and progress.

Between these groups is a large segment of the American population which unfortunately fails fully to realize how much everyone is involved. They have taken our abundance for granted. America has never suffered scarcity.

As a result, many have not stopped to realize, perhaps, how our abundance has kept prices to consumers reasonable.

A smaller percentage of our income is required to purchase food and clothes in America than anywhere else on earth, freeing more money for the purchase of homes, automobiles, television sets, and other products, keeping the wheels of industry and commerce spinning.

All of us should be concerned about what makes that abundance of food possible.

We should be looking ahead, too, at our population growth of 2,700,000 a



year—new people who have to be fed and clothed and provided with jobs. They, too, have a stake in this struggle.

The issue is not whether the past, present, or proposed farm programs are perfect. It is whether we hold firm to the basic objective of those farm programs—the right of farmers to equal economic opportunity, while seeking to improve our means of achieving it.

People who talk about 90 percent of parity being only a wartime incentive either forget or ignore that it was far more than that.

It was one more step toward the objective of equality which we set up in our Agricultural Adjustment Act of 1938, and have since repeatedly reaffirmed.

The declaration of policy in that act declared it to be the policy of Congress to assist farmers to obtain, insofar as practicable, parity prices for their commodities and parity of income.

We have tried to keep our eye on that historic goal in the past. Every time we have changed our laws to meet changing conditions, we have endeavored to move closer to that goal, until 1954.

I point out that during this debate there have been some who have said that the law of 1938 had as its price-support levels 52 to 75 percent of parity. That law, they say, was passed under a Democratic administration. All that is true. But what those critics seem to forget is that the law of 1938 was but the first step toward the objective of making available and bringing into fulfillment true parity, full parity for the American agricultural economy. What those who point back to the Agricultural Act of 1938 and its price-support schedule of 52 to 75 percent of parity fail to remember is the fact that in 1938 that was a sizable step forward. But each year and each action of Congress since 1938 has been designed for and directed toward a higher parity, a better relationship between the farmers' prices and industrial prices.

I was rather disturbed when I heard, in the debate in the Senate, Members of the Senate saying that even back in the days when there was full Democratic control in the Congress and in the White House, the goal was never 90 percent of parity. Comments such as those apparently indicate an attitude that when we enact a law, that is the final act, and that from then on nothing more can be done.

If that had been the case, we would have had no highways to speak of. The original Highway Aid Act surely would not have built many roads for this modern day and age. But we expanded it. We set as the goal in the original Federal Highway Assistance Act a broad network of highways adequate to meet the transportation and commercial needs of the Nation; and year after year we have broadened the program to fulfill that goal. The same is true of unemployment compensation, social security, and minimum wages. In the beginning those programs were modest, indeed. They were only beginnings. They were the basic minimums. But as we have gone on we have added to those programs, broadening and extending their coverage, and increasing their benefits. That is as it should be. The same philosophy and the

same sort of thinking should apply to agriculture.

So, since 1938 we have been moving forward, until 1954. I think it is quite important to note that the first time we started to move back in 20 years was after the Government got into the hands of the Republican administration.

I say again that many of my Republican colleagues and friends do not agree with this philosophy. There are substantial numbers of Members of Republican persuasion in the House of Representatives, as well as in the Senate, who have tried to resist this backward movement; but they are a minority in their party, now as in the past.

It was out of such a minority that the Bull Moose movement grew. It was such a minority of Republicans that walked out of the convention in Kansas City back in the 1930's. It was out of such a minority that even the Farmer-Labor Party of Minnesota was born. It had its antecedents in the Republican Party.

Adoption of 90 percent supports was part of the progress toward that goal, not just some wartime bonus.

Nothing in the policy declarations of this Congress has ever said farmers are entitled to parity prices and parity income only in wartime.

Yet the critical press of today wants us to ignore all this past history of purpose behind farm legislation, and distort the meaning of what Congress has been trying to do.

What is more, Mr. President, our Government asked industry and labor to undertake certain goals and objectives in war time. We have not reduced wages. We have not reduced prices. Since the war they have grown and have increased. What is all this nonsense about saying that farmers should be the ones who should go back to prewar days and the wartime incentive of 90 percent of parity? Prices and wages today are far beyond any wartime incentive prices or wages, and far beyond anything in the wartime period.

Does it not seem to be the fair thing to assume or to say that farmers should not be asked to go back to prewar days? Apparently the argument of those who are opposed to 90 percent of parity, on the theory that 90 percent of parity price supports were wartime incentives, is to bring the program of agriculture back to the act of 1938, the prewar act, or at least to a modification of it.

I want the American farmers to know that there are some Members of Congress, and many persons in the administration, who feel that the farmer should go back to prewar conditions. At least they feel that he should not have the same kind of conditions that he had economically during wartime.

Mr. President, if we are going to apply that principle to farmers, I ask that it be made possible for me to buy a house at prewar prices, a car at prewar prices, a suit of clothing or a pair of shoes at prewar prices, and I also want to be able to buy a sandwich at prewar prices, as well as a haircut.

The wartime incentives have become the basic minimum standards for peacetime survival.

Mr. President, as we are about to embark on critical decisions on a new farm act, it would be well for all of us to look seriously at the objectives we seek to meet, instead of devoting all our arguments to the technical methods by which we seek to achieve them.

Oh, I know some of my friends with conflicting farm views will hasten to assure me that they seek the same objectives, but just feel different methods are preferable in achieving them.

Yet, it is a strange thing that ranked solidly behind them are all the forces that, historically and now, vigorously oppose even the objective of public policy designed to provide opportunity for equality of economic opportunity in agriculture.

I suggest that some of my colleagues whose good faith I do not question examine their bedfellows a bit more closely, in weighing whether or not the methods they propose can both serve the objectives of equality for agriculture, and the objectives of those opposed to equality for agriculture.

The truth is that the action taken by this Congress in 1954 was the first taken by Congress since 1932 that went directly contrary to the historic goal of agriculture, and the events that have transpired since prove it has had that result.

Let us get back to our original objectives, to see if at least we cannot agree on objectives before quarreling about method.

All the legislative history behind the development of farm programs in America confirms that our objective and purpose has really been threefold:

First. To assure the American people continued abundance of food and fiber;

Second. To offer America's farmers an opportunity of achieving economic equality with other segments of our citizens;

Third. To preserve and protect America's traditional pattern of family-owned, family-operated farms as the type of agriculture best adapted to our democratic way of life.

Repeatedly the Congress of the United States has restated its intent to uphold these objectives, in one way or another, ever since the days of the homestead law.

Yet, unfortunately, the objectives sometimes appear forgotten in the development and administration of farm legislation.

We have heard our blessings of abundance criticized as a curse.

We have heard that even 90 percent of equality—let alone full equality—is more than farmers are entitled to in our economy.

We have heard disturbing yet increasing talk of encouraging a complete change in our historic pattern of farming, to put more emphasis on mere bigness and so-called efficiency, less on human values and social problems of rural living. We have heard less and less concern about perpetuating our family-farming pattern, and more and more about giving way to the pressures of mass operations—about farmers who cannot



survive giving way to make room for the few who can.

None of us wants to perpetuate inefficiency, or tie farmers to units too small to be economically practical. Yet there is a distinct line between improving the efficiency of family farmers and increasing their opportunities to make family farming profitable, on the one hand, and abandoning the family-operated farm concept to be replaced by large-scale industrialized farming operations with absentee-ownership and hired labor on the other.

Serious questions of public policy are involved, if we are to cross that line.

It is not a change of direction toward which we should be allowed to drift or be pushed, without knowing fully the consequences.

If America is in the midst of changing objectives of farm policy. If deliberate efforts are underway to redesign America's pattern of family farming into the mold of big business. Should it not be brought out in the open for examination and review, to see if such a change is desirable?

For my part, my faith is still strong in the pattern of agriculture which has made America strong, and my faith remains unchanged in the objectives under which American agriculture has contributed so much to our country.

America's farm policies must be geared to social objectives as well as economic objectives. And foremost among such social objectives, in my opinion, should always remain the encouragement and preservation of our traditional rural pattern of the family-farm type of agriculture that has long been accepted as essential to a strong democracy.

It is easy to understand why.

A large number of prospering farm families on family farms is a strong balancing force within the Nation, against the political and social extremes of economic class warfare.

On the family farm, the economic functions of capital ownership, of arranging for financial needs, of managing the productive enterprise, and of working are all performed by the farm operator and his family, thus eliminating controversy and tension along economic class lines.

Our family farm pattern of agriculture has been the basis of all our agricultural progress and good community life. It builds in farm family members attitudes of self-reliance, social responsibility, individual initiative, tolerance, and self-government—the attitudes that made for a sound democracy.

The family farm builds strong families, and the family farm builds strong social communities, with good schools and active churches.

Our pattern of family farming has become an example to the world of democracy's answer to Soviet collective farming.

Unrest in many parts of the world today results from insecure and inequitable

farm land tenure, creating hopelessness among those who work the soil and making them an easy prey for communism's glittering false lures.

The restless peasants of the world can find the ray of hope they seek in America's pattern of family farming, and family farm ownership that enables the Nation's farmers to farm efficiently, conserve soil and water resources, provide adequately for their family needs, and participate fully in civic, community and public affairs.

Can we risk destroying that ray of hope ourselves?

There is ample precedent for our country to gear its legislative policies toward preserving our family farm pattern in agriculture.

We adopt antitrust laws, and take other steps to protect independent business, because we know America's real strength rests in many prospering business firms—not in just a few huge monopolistic corporations. We take such a course because we feel it is in the Nation's best interests to maintain continued opportunity for small business.

Is it not just as wise to make sure, in the Nation's interest, that we maintain continued opportunity for family farming?

Price supports, farm credit, consideration assistance—all of these vital farm programs are but means to an end, not the end itself. The end objective must be the kind of agricultural pattern we want in this country.

As we consider changes in these means to an end, from time to time, let us make sure we measure such changes carefully against the end we seek to achieve, and let us make sure that we are agreed on those end objectives.

American agriculture—at long last—has come of age.

It accepts responsibility to be concerned about the well-being of all the American people.

Farmers do not ask for special privilege.

Farmers ask only what is rightfully theirs—by their heritage as American citizens: the right of equal treatment and equal respect, under the law of our land.

I know that is a deep conviction among farm people.

I know it is a conviction I fully share, and have shared for a long time.

But it is time that all the American people recognized and accepted that right of equality for agriculture.

It is time they accepted it as in the best interest of the entire Nation—and not just for the benefit of farmers alone.

Mr. President, as evidence of the national interest in a prospering agriculture, I ask unanimous consent to have printed in the RECORD at this point two tables—one showing that national depressions are farm led and farm fed, and the other showing how fair farm prices actually lower food costs to city consumers.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

#### NATIONAL DEPRESSIONS ARE FARM LED AND FARM FED

Farm depression led the panic of 1830; the even worse depression of 1844; the big recession from 1858 to 1860; and each of 12 depressions between 1870 and 1914. Falling farm prices led the drop from 1919 to 1922. They led again in 1929-32, 1937-38, in 1949, and preceded the 1954 depression.

#### Drops in farm income lead the way down

|                         | Cash receipts from farmers' marketings (per farm) | Industrial production index 1947-49=100 | Average weekly earnings, industrial worker | Steel production percent of capacity | Percentage of unemployed |
|-------------------------|---------------------------------------------------|-----------------------------------------|--------------------------------------------|--------------------------------------|--------------------------|
| 1919.....               | \$2,239                                           | 39                                      | \$22.08                                    | 64                                   | -----                    |
| 1920.....               | 1,934                                             | 41                                      | 26.30                                      | 76                                   | -----                    |
| 1921.....               | 1,246                                             | 31                                      | 22.18                                      | 34                                   | -----                    |
| 1922.....               | -----                                             | 39                                      | 21.51                                      | 61                                   | -----                    |
| 1929.....               | 1,735                                             | 59                                      | 25.03                                      | 88                                   | 3.2                      |
| 1930.....               | 1,383                                             | 49                                      | 23.25                                      | 62                                   | 8.7                      |
| 1931.....               | 964                                               | 40                                      | 20.87                                      | 38                                   | 15.9                     |
| 1932.....               | 708                                               | 31                                      | 17.05                                      | 20                                   | 23.6                     |
| 1933.....               | -----                                             | 37                                      | 16.73                                      | 33                                   | 24.9                     |
| 1951.....               | 5,861                                             | 120                                     | 64.71                                      | 101                                  | 3.0                      |
| 1952.....               | 5,906                                             | 124                                     | 67.97                                      | 86                                   | 2.7                      |
| 1953.....               | 5,730                                             | 135                                     | 71.69                                      | 95                                   | 2.5                      |
| 1954 <sup>1</sup> ..... | -----                                             | 123                                     | 70.92                                      | 71                                   | 5.1                      |

<sup>1</sup> July.

When farm prices are below 100 percent of parity unemployment is high: Wages and industrial production low the next year

| Parity ratio           | Number of years since 1928 | Average for years next following those shown— |                       |
|------------------------|----------------------------|-----------------------------------------------|-----------------------|
|                        |                            | Percent unemployed                            | Industrial production |
| Below 100 percent..... | 16                         | 13.9                                          | 59                    |
| 100 percent above..... | 11                         | 3.2                                           | 113                   |

<sup>1</sup> 1928 through 1941 and 1953 and 1954.

<sup>2</sup> 1942 through 1952.



# FAIR FARM PRICES LOWER FOOD COSTS TO CITY CONSUMERS

1. Largely as a result of the high level of production of United States farms, workers can now buy substantially more food with

an hour's labor than in any earlier period in history.

An hour of factory labor would buy the following foods in 1910-14, in 1929, and in June 1953:

|                      |                 | 1910-14 | 1929 | 1953 | Percent more—     |                      |
|----------------------|-----------------|---------|------|------|-------------------|----------------------|
|                      |                 |         |      |      | 1953 than<br>1929 | 1953 than<br>1910-14 |
| Bread.....           | pounds.....     | 3.5     | 6.4  | 10.8 | 69                | 300                  |
| Steak.....           | do.....         | .9      | 1.2  | 2.0  | 67                | 122                  |
| Pork chops.....      | do.....         | 1.0     | 1.5  | 2.0  | 33                | 100                  |
| Bacon.....           | do.....         |         | 1.3  | 2.1  | 62                |                      |
| Milk, delivered..... | quarts.....     |         | 3.9  | 7.8  | 100               |                      |
| Butter.....          | pounds.....     | .6      | 1.0  | 2.3  | 130               | 280                  |
| Cheese.....          | do.....         |         | 1.4  | 2.9  | 107               |                      |
| Eggs.....            | dozen.....      | .6      | 1.1  | 2.6  | 136               | 333                  |
| Potatoes.....        | pounds.....     | 12.8    | 17.7 | 32.6 | 84                | 154                  |
| Oranges.....         | dozen.....      |         | 1.3  | 3.3  | 153               |                      |
| Tomatoes.....        | No. 2 cans..... |         | 4.4  | 10.2 | 132               |                      |

Source: From a staff report prepared for House Committee on Agriculture and speech by Congressman Clifford Hope (Kansas), chairman, Committee on Agriculture.

2. Percent of income, after taxes, needed to be spent to buy same market basket of food:

|           | Percent |
|-----------|---------|
| 1929..... | 23      |
| 1933..... | 27      |
| 1941..... | 21      |
| 1953..... | 18      |

(Figures from U. S. Department of Agriculture—Marketing and Transportation Situation.)

Mr. HUMPHREY. Mr. President, I have mentioned the conviction of rural people that under our Constitution they are entitled to equal treatment and equal respect.

Three years ago, on the 162d anniversary of our Nation's Bill of Rights, I addressed a group of 5,000 Midwest farmers discussing some of these issues I am outlining here.

In commenting on the great Bill of Rights, I said:

As a nation we are dedicated to preservation of these rights of all the people—rights we hold to be inalienable.

We guard and protect these rights zealously.

They are the very cornerstone of our democracy.

But perhaps it is time that we, as a nation, also dedicate ourselves to preservation of certain rights for the American farmer—as the custodian of the very basis of our national life.

At that time I proposed a farmer's bill of rights, from which I suggested agriculture should never retreat.

I would like to set forth that farmer's bill of rights today as guidelines against which to measure our new farm legislation.

These, I believe, are fair and reasonable rights to which rural people of America should be entitled:

First. The right to full equality of economic opportunity.

Second. The right for improved standards of rural living.

Third. The right of reasonable protection against natural hazards.

Fourth. The right to extend agricultural free enterprise through cooperative action.

Fifth. The right to public cooperation and assistance in saving the soil.

Sixth. The right to preserve the social and human values of family farming.

Seventh. The right to decent land tenure which would encourage the desirable goal of farm ownership.

Eighth. The right to a democratic voice in his own farm program.

Ninth. The right to benefits of an expanding world trade.

Tenth. The right to a long-term program of food storage to encourage abundance.

Much could be said about each of these fundamental rights for agriculture.

They involve the right to a fair share of the national income for agriculture through more reasonable assurance of fair rewards and adequate incentives for those who efficiently and abundantly provide for the food and fiber needs of the Nation.

They mean modern schools, roads, housing, and health facilities and services in rural areas equal to those afforded city folks.

They mean protection against forces beyond agriculture's own control, through adequate farm credit facilities geared to agriculture's needs; through crop insurance, within the farmer's ability to participate, through disaster aid when needed to protect both the public and the individual interest; and through price support programs designed to contribute stability to our entire economy, and to protect the farmer from being left at the mercy of speculators.

The bill of rights for agriculture means the right of farmers to self-help through forming cooperatives for marketing farm products, purchasing farm supplies, and providing essential services such as extending the benefits of electricity and telephones in rural areas, with legal protection against efforts to curtail the effective functioning of such farm cooperatives.

They mean the right of aid in conserving the nation's agricultural resources—our productive lands, water supplies, and forests—so that these resources will be permanently useful for the benefit of generations to come.

They mean adequate landlord-tenant arrangements for sharing the income that the soil produces, with adequate opportunity for tenants to advance up the ladder toward farm ownership.

They mean an effective voice for the farmer in his own destiny such as farmer-participation in both administration and development of farm programs through democratically-elected farmer committeemen, and self-determination

of the needs of adjusting production to a reasonable balance with demand through voluntary farmer-referendums.

They mean facilitating the flow of farm exports to broaden the base of our farm economy.

The farmer's bill of rights means greater public recognition of the wisdom and necessity for maintaining at adequate levels our storage "food banks" of feed and food reserves safeguarding the nation from any eventuality.

They mean public policies making more effective use of the abundance farmers are capable of producing, policies enabling the farmer to see his food used wisely rather than be wasted; to see the output of his land and his toil make its utmost contribution toward stamping out hunger and deprivation at home and abroad—and serving as the humanitarian arm of the Nation's foreign policy—in our efforts to create a better and more peaceful world.

These, I believe, are basic rights of American agriculture.

They are not new rights.

They are not rights of special privilege gained through misuse or abuse of tremendous power over the lifelines of the Nation's food supply.

Rather, they are rights of historic precedent earned by the great and continuing contribution of agriculture to American life, the fulfillment of the Nation's needs in peace or war, in good times or bad, at personal profit or personal loss.

They are rights set forth as public policy, time after time, in the objectives of legislation enacted by the Congress of the United States.

They need reiterating now only as a guiding beacon of light cast upon the darkness of confusion surrounding current controversy over America's farm policy.

They must be just as zealously guarded against forces which seek to destroy them, as we guard other historic rights, privileges, and responsibilities of freedom in our democracy.

That, I believe, should be American agriculture's rallying point for unity today and the Nation's challenge fully to exemplify the meaning of democracy as equal opportunity for all.

A year later, in 1954, in another major farm address in the Midwest I suggested perhaps the air of confusion surrounding America's farm policy fight in and out of Congress could be clarified by two actions by Congress:

First, by adopting a joint resolution setting forth an American family farm policy, declaring the intent of Congress as to the purpose of all farm programs in preserving this historic American pattern of agriculture, and providing a yardstick for measuring the effectiveness of present and future programs in meeting that objective.

Second, by adopting a joint resolution setting forth a national food and fiber policy, declaring the intent of Congress to maintain abundance and see that abundance wisely used, both for America's own people and people in need throughout the world.

Last spring, I introduced two such resolutions in this body. They are still



before it. Their purpose was not to substitute for an effective farm program. Their purpose was to chart a course of direction for an effective farm program.

While such resolutions would only in effect be a reaffirmation of already established purposes and objectives, it was my hope they would add new emphasis by bringing them together in a positive statement of national policy.

Establishment of such national policies in a positive form would provide some consistency in developing proper and workable programs aimed at achieving the accepted objectives, and revising our programs whenever necessary to make sure they serve such objectives. We have ample precedent for such declaration of national policy in the Full Employment Act, designed to chart America's course of economic growth and progress.

It was the purpose of my family farm policy resolution to direct attention of the Joint Committee on the Economic Report under the Employment Act to our farming pattern and conditions, requiring closer annual examination of agriculture's contribution toward the Nation's economic progress—and closer appraisal of agriculture's needs to maintain its most effective contribution toward such progress, as supporting evidence to substantive legislative action taken by our proper Committee on Agriculture and Forestry.

While nothing has happened to those resolutions, perhaps they have already had some beneficial influence. At least it was not until after the resolution was introduced—and opposed by this administration—that the President added new emphasis to concern over the family farmer in his message to this Congress.

This is the background of the broad goals I seek for agriculture—the goals I believe agriculture itself seeks and is entitled to.

With our attention focused on these proper objectives of farm policy, we are in a better position to determine effective legislation directed toward achieving such objectives—the specifics, to implement our goals.

It is to such specifics, within the framework of goals I have outlined, that I shall now direct my remarks.

#### WHAT WE CAN AND MUST DO

As we turn our attention to what we can and must do to make better progress toward the goal of improved income for people in agriculture, I want to make clear two points:

First, the reasons experience has proven for mandatory policies determined by the Congress rather than too wide discretion left in the hands of the Secretary of Agriculture.

Opposition to widespread discretionary authority is no reflection upon any Secretary of Agriculture. It is just a recognition of realities. Farmers should not be left to the discretionary whims of any Secretary of Agriculture, or have their future subjected to the pressures that can be placed upon any Secretary of Agriculture.

While certainly a good and valid case can be made for the need of a Secretary to have flexibility of movement and deci-

sion, Congress cannot escape its responsibility on basic policies by transferring such decisions to a Secretary of Agriculture. Any Secretary facing the pressures a Cabinet officer must should welcome Congress facing up to these problems and making basic policy decisions for him.

But in Agriculture it is more important perhaps than in some other departments of Government. There is always speculation in agricultural commodities by traders who are not farmers. I certainly do not argue that the commodity exchanges do not perform a legitimate and necessary function in the farm-marketing process. But we must face the reality that it is the judgment of buyers or speculators in these commodity markets that either bid farm prices up or break them downward.

It should be obvious that any uncertainty as to future Government policy under discretionary authority leads to gambling on what a Secretary of Agriculture may or may not do, to the detriment of the farmer.

When traders all know in advance that firm policies have been established by the Congress, they are all competing on equal terms in the market place above that firm floor, competing against each other, instead of trying to outguess the Government. It is only in such a climate of certainty rather than a climate of uncertainty that the free market can best operate for agriculture, and most legitimate traders will tell you so. Of course, there are always some speculators who would prefer to keep the commodity markets as a gambling game without any house rules.

Discretionary authority will always mean indecision and uncertainty; mandatory protection under the law means certainty and stability.

We should always keep that in mind, and realize the effect uncertainty has on farm markets under any legislation.

Next, I want to label as an outright lie the idea that the only thing the Democratic Party stands for in agriculture is 90 percent of parity price supports, and that it puts full dependence on price supports alone to rectify all the troubles in agriculture. Our Republican friends have tried to make it appear that they want a broader approach, a many-pronged attack.

Let us examine the record.

Ever since 1932 the Democratic Party has moved vigorously to improve conditions in agriculture on many, many fronts. It has been our party which developed, made effective, and has protected our great conservation programs. It was our party that electrified rural America under the REA, over the vigorous objection of Republicans who said farmers liked kerosene lamps, and would never use electricity, an almost unbelievable comment.

It has been our party that has developed every new approach in the last 20 years to improving conditions in agriculture. And always we have emphasized the necessity of a many-pronged approach to farm problems, rather than full reliance upon price supports alone.

Our platforms for the past 20 years prove that. Our record proves it. Our platform for 1952 makes it amply clear.

We outlined therein a comprehensive program of resource conservation, grassroots administration, price supports, research, marketing aid, farm credit, crop insurance, rural electrification, aid to and encouragement of cooperatives, and many other objectives. We have not lost sight of any of them in our efforts here in the Congress. We have not turned our back on any of our pledges.

Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point the agricultural section of the Democratic Party's 1952 platform.

There being no objection, the section was ordered to be printed in the *RECORD*, as follows:

#### THE AMERICAN FARMER AND AGRICULTURE

We know that national prosperity depends upon a vigorous, productive, and expanding agriculture.

We take great pride in our party's record of performance and in the impressive gains made by American agriculture in the last 2 decades. Under programs of Democratic administrations the net agricultural income has increased from less than \$2 billion to almost \$15 billion. These programs must be continued and improved.

#### RESOURCE CONSERVATION

The soil resources of our country have been conserved and strengthened through the Soil Conservation Service, the agricultural conservation program, the forestry and research programs, with their incentives to increased production through sound conservation farming.

These programs have revolutionized American agriculture and must be continued and expanded. We will accelerate programs of upstream flood prevention, watershed protection, and soil, forest and water conservation in all parts of the country. These conservation measures are a national necessity; they are invaluable to our farmers and add greatly to the welfare of all Americans and of generations yet unborn.

#### GRASSROOTS ADMINISTRATION

We will continue the widest possible farmer participation through referenda, farmer-elected committees, local soil conservation districts, and self-governing agencies in the conduct and administration of these truly democratic programs, initiated and developed under Democratic administrations.

#### PRICE SUPPORTS

Under the present farm program, our farmers have performed magnificently and have achieved unprecedented production. We applaud the recent congressional action in setting aside the sliding scale for price support through 1954, and we will continue to protect the producers of basic agricultural commodities under the terms of a mandatory price-support program at not less than 90 percent of parity.

We continue to advocate practical methods for extending price supports to other storable and to the producers of perishable commodities, which account for three-fourths of all farm income.

#### ABUNDANT PRODUCTION

We will continue to assist farmers in providing abundant and stable supplies of agricultural commodities for the consumers at reasonable prices, and in assuring the farmer the opportunity to earn a fair return commensurate with that enjoyed by other segments of the American economy.

The agricultural adjustment programs encourage the production of abundant supplies while enabling producers to keep supply in



line with consumer demand, preventing wide fluctuations and bringing stability to the agricultural income of the Nation. We pledge retention of such programs.

We pledge continued efforts to provide adequate storage facilities for grain and other farm products with sufficient capacity for needed reserves for defense, and other emergency requirements, in order to protect the integrity of the farm price-support programs.

#### RESEARCH

We are justly proud of the outstanding achievements of our agricultural research. We favor a greatly expanded research and education program for American agriculture in order that both production and distribution may more effectively serve consumers and producers alike, and thus meet the needs of the modern world. We favor especial emphasis on the development of new crops and varieties, on crop and livestock disease and pest control, and on agricultural statistics and marketing services.

#### MARKETING

We must find profitable markets for the products of our farms, and we should produce all that these markets will absorb. To this end we will continue our efforts to reduce trade barriers, both at home and abroad, to provide better marketing and inspection facilities, and to find new uses and outlets for our foods and fibers both in domestic and foreign markets.

#### FARM CREDIT

We have provided credit facilities for all agriculture, including means by which young men, veterans of military service, and farm tenants have been encouraged to become farmers and farm home-owners, and through which low-income farmers have been assisted in establishing self-sustaining and fully productive farm units. We will not waver in our efforts to provide such incentives.

#### CROP INSURANCE

Crop insurance to protect farmers against loss from destruction of their crops by natural causes has been created and developed under Democratic administrations into a sound business operation. This program should be expanded as rapidly as experience justifies, in order that its benefits may be made available to every farmer.

#### RURAL ELECTRIFICATION

Democratic administrations have established the great rural electrification program, which has brought light and power to the rural homes of our Nation. In 1935, only 10 percent of the farm homes of America had the benefits of electricity. Today 85 percent of our rural homes enjoy the benefits of electric light and power.

We will continue to fight to make electricity available to all rural homes, with adequate facilities for the generation and transmission of power. Through the rural telephone program, inaugurated by the Democratic 81st Congress, we will provide the opportunity for every farm home to have this modern essential service. We pledge support of these self-liquidating farm programs.

#### COOPERATIVES

We will continue to support the sound development and growth of bona fide farm cooperatives and to protect them from punitive taxation.

#### DEFENSE NEEDS

We will continue to recognize agriculture as an essential defense industry, and to assist in providing all the necessary tools, machinery, fertilizer, and manpower needed by farmers in meeting production goals.

#### FAMILY FARMING

The family farm is the keystone of American agriculture. We will strive unceasingly to make the farm homes of our country healthier and happier places in which to

live. We must see that our youth continues to find attractive opportunity in the field of agriculture.

Mr. HUMPHREY. Mr. President, the Republican Party platform is loud in its criticism of our great farm programs. We challenge the Republicans and other enemies of farm progress to justify their opposition to the program now in operation, to oppose the improvements here proposed, or to advocate repeal of a single vital part of our program.

Mr. President, I have always maintained and still maintain that price protection is but part of a good farm program, and that we must always be looking ahead for new and better ways of achieving more equality for American agriculture.

Let me quote briefly from an address before the great Grain Terminal Association in St. Paul back in 1953, when I said:

Effective price protection, of course, is just a foundation.

We need to develop new outlets and uses for our food and fiber.

We need to learn to live with abundance—and use it wisely for the greatest good of humanity.

To protect and expand areas of freedom in this world we must think of full stomachs as well as full cartridge belts.

We need adequate incentive premiums to convert diverted acres under production restrictions to soil-building conservation practices—rather than to other competing and soil-depleting crops.

We must make greater progress in conservation.

We must harness the destructive force of excess water and convert it to constructive use.

We must extend rural telephone service to farm homes of America just as we have extended electric lights and power.

We must continue our progress in research and marketing efficiency.

Obviously, there is much that can be done to improve our farm legislation without taking away any of the advantages it now offers.

It is in that spirit Congress must approach its task of writing firm, constructive, long-range farm legislation at its forthcoming session.

That was my advice back in 1953—to raise our sights and vision, to look ahead instead of looking back.

Again in 1954 I addressed the same group, a gathering of 5,000 farmers from 6 Midwest States.

Did I say that all agriculture needed was 90-percent price supports? Of course not.

Let me quote from that talk, very briefly. Here is part of what I said:

It is my hope that the new Congress will do more than reexamine price-support levels and take a serious look at the purpose of our price-support legislation, and of all farm legislation.

Perhaps we will find that the time has come to take more positive action toward directing Government administrative policies more specifically to serving family farmers, through some form of limitations channeling assistance to family farm operators falling within reasonable bounds of desirable production patterns.

Perhaps we will find that the time has come to take more positive steps toward raising the economic opportunities of low-income farmers, through expanded opera-

tions of supervised credit under the Farmers Home Administration.

Perhaps we will find that the time has come to reappraise all our farm-credit operations to see how well they are geared to modern needs, particularly to providing opportunities for young beginning farmers to get a sound start in agriculture.

Perhaps we will find, too, that America's soundest approach to peaceful international relations rests in greater use of our productive know-how and abundance to help eliminate hunger and deprivation throughout the world—using food and fiber as weapons of peace in the battle against the encroachments of communism in the world.

America's food abundance can be a powerful force for good in the world, a real weapon of freedom.

But linked with greater overseas use of our food abundance must be provision for assuring every American an opportunity to have a minimum adequate diet of basic foods, particularly of milk and butter. Issuance of food stamps to supplement meager public-assistance allowances to the aged, the widows, and dependent children and the handicapped would go a long way toward that objective, and at the same time make wiser use than now provided for our temporary surpluses of food products.

Let me quote further, from an address given last December 13, again before more than 5,000 farmers filling the St. Paul Auditorium, to emphasize what our approach is and always has been.

Here is what I said at that time:

Many of us have been calling for new and broader approaches to our farm program, and offering concrete proposals to achieve our objects. We have not been just critics and obstructionists. We have continually matched our objection to what was going on with constructive suggestions of what could and should be done.

Two years ago, and last year, before this same organization, were outlined many of these new and constructive suggestions for improving our farm program. We have insisted upon, and still insist upon, more adequate income protection for agriculture. We have not wavered from our conviction that to be effective, such protection must be based upon 90 percent of parity—and cover more commodities.

We have insisted that the relationship between our various feed grains must be kept in better balance, by support levels based upon a feed value ratio equivalent to corn. We have repeatedly recognized that an effective farm program must offer protection to producers of end products like beef and hogs, and eggs and milk, as well as to the producers of feed that goes into such products.

Our goal has been, and still is, broader income protection for a broader segment of agriculture. But we have sought more workable methods of achieving it, including combinations of compensatory payments along with crop loans and purchases. The need for such alternative methods of income protection is more apparent than ever today. It is flexibility of methods we need in our farm program, not flexibility of income levels and flexibility of prices.

We have sought and will seek to eliminate excessive aid to mass producers least needing it, through limiting income and price assistance to some fair family farm standard. We have sought to support and encourage cooperative action by farmers themselves, for more orderly marketing and improved marketing facilities. We cannot permit undermining of our great system of service, supply and marketing cooperatives, as a bonafide extension of the free enterprise system.

We have sought, and still seek, expanded foreign trade—and greater use of our food and fiber abundance as a constructive arm



of our foreign policy. We have urged and supported greater participation of voluntary agencies such as CARE, Church World Service, and other religious groups in overseas distribution of food. We have proposed that the United States take the initiative toward establishment of an International Food and Raw Materials Reserve, under the United Nations.

We have sought, and still seek, expanded domestic consumption of food—through stepping up our school lunch program, expanding the special milk program, and establishing a food stamp program to supplement the food purchasing power of our aged and underprivileged low-income groups.

We have sought, and still seek, an expansion and liberalization of farm credit geared to modern agricultural production. We have sought, and still seek, a more realistic way of obtaining production adjustments through creation of a conservation acreage reserve, with incentives for taking land out of production and diverting it to soil-building practices to preserve its fertility.

America's rural economy must not be expected to absorb alone the hardship and loss of any production adjustments required for the good of the entire Nation's economy.

Just as the entire Nation shared in the financial burden of converting industry from wartime to peacetime production, and then again back into defense production, the entire Nation has a moral obligation to aid agriculture in achieving adjustments from excessive production resulting from the Nation's wartime and defense needs.

We did not penalize munitions manufacturers for the production of shells we did not have to fire. Neither should we penalize farmers for the production of food the world might have urgently needed if the war in Korea had burst into the threatened worldwide struggle.

Instead of trying to achieve production balance by deliberately putting a price and income squeeze on farmers, it is time we give more thought to achieving better production balance by making it possible for farmers to make a decent living out of less acres, and less production.

I welcome the presence of the present Presiding Officer, the able junior Senator from Texas [Mr. DANIEL], who has shown such great interest in the farm program debate. I was about to discuss some of the goals which I had outlined in the past, and to explain that the Democratic farm program has been a broad, comprehensive one, exhibiting flexibility of method and of approach.

The Democratic Party has continuously emphasized that there was more to an effective farm program than simply the price-support level, at whatever that support might be.

I have gone into this question in some detail, because there have been those who have tried to get the American people to believe that the whole argument about agriculture was nothing more or less than an argument over price supports.

I want the RECORD to be clear that if there is a choice as between the Bensonized version of 75 to 90 percent of parity—the flexible method—and the 90-percent price supports, the choice is quite obvious—namely, 90 percent.

But this is not merely an argument over price supports. As I said in the beginning of my discussion today, the greatest mistake of this administration is not simply the difference in arithmetic; it is not the fact that it is a slippery, sliding, flexible scale—and that is what

it is. The greatest mistake of this administration is its poor administering. This highly vaunted, well-publicized, supposedly efficient Republican administration is simply miserably inefficient. It is having difficulty running a foreign policy—if we can ever find out what the policy is. It is having difficulty running a defense policy. It surely is having difficulty in carrying on a farm policy.

The greatest single weakness of the Eisenhower-Benson farm program is in the way it is managed. The reason why it is poorly managed is that there is no will to manage it. The philosophy and the attitude of the administration is that of big business. It did not take the administration 2 months to be able to revise the credit structure, to increase interest rates, and to give price supports for money.

But the administration has spent 3½ years pretending it had a farm program, and pretending it wanted to make a farm program work. It has taken step after step to wreck that program. If the farm bill as it is before the Senate shall be passed with many of the amendments which are to be offered, such as the amendment intended to be offered by the junior Senator from Texas [Mr. DANIEL] on feed grains, there is no assurance that the program will work, because those who are to administer the program do not have the will to make it work.

The program is like an automobile. One can design the finest mechanical engine, install the finest equipment, including the most powerful motor, the most efficient power steering apparatus and power brakes, and all other modern devices; but if the driver of the car is one who does not believe in automobiles, but is still worshiping at the horse and buggy shrine, if he is someone who does not even know the road he is going to travel, and, what is more, thinks it is wrong, even, to be driving a car, the passengers will not have a very safe trip.

That is what is wrong with the administration. The Department of Agriculture has in it too many persons who are fundamentally opposed to having the Government help the American farmer obtain equality of opportunity. The Department of Agriculture has too many officials who do not really believe in a price support program. They have said so, publicly and privately.

Some Department of Agriculture officials have said that price supports are socialism, and then have gone into a tirade about socialism. That kind of person obviously cannot convince any great desire to make a price support program work.

I respect the right of anyone to be opposed to price supports, but I do not think such a one ought to be hired to administer a price support program. I can respect the right of a person to feel that the farm processors are getting too much, when the farm processors really are getting too little. While I do not agree with such views I respect the right of a person to hold those views. But I do not think such a person should be running a farm program or having anything to do with it.

Alcoholics are not placed in charge of a temperance movement. Similarly, confirmed opponents of price supports and a workable farm program should not be placed in charge of those very programs.

Mr. President, I have outlined the goals which I believed were essential for an effective, comprehensive farm policy. At the series of meetings to which I referred, I had something else to say, something which needs repeating now in the context of events which have since transpired.

Remember, this was before the President's message and the great campaign to glorify the soil bank.

Here is what I said at St. Paul, in December of 1955:

Let me voice a word of caution, a note of warning. Some people are suddenly seizing upon this soil-bank idea as a cure-all, a way out by itself from failures of the present farm program. It would be wrong to be deceived into such assumptions. As author of the bill, I know it was never intended as such. It was never intended to be more than part of a comprehensive farm program. It was intended to supplement other phases of that program, not in any sense be a substitute for them.

I think the conservation acreage reserve makes sense, it can further our necessary consideration adjustments, and encourage wiser land use. But it cannot, and will not alone solve all of our farm price and income problems.

A successful farm program must include many interlocking programs, each contributing toward the total objective. That has always been my approach to farm legislation, and will continue to be. All the objectives I have outlined tonight are spelled out in legislation now before the Congress. These are the objectives I will fight for in Congress next month, both in the Senate committee and on the Senate floor.

We have a full farm program, ready to go. That farm program could have been passed long ago, had we been able to get help, instead of hindrance, from those temporarily responsible for administration of our Agricultural Department.

Does that sound like our only concern is price supports, as our critics suggest?

And let me assure you I have not only encouraged and talked new ideas, new approaches, broader approaches, to farm legislation; I have done something about it.

I have always endeavored to match my words with deeds and with action toward the goals in which I deeply believe.

The legislative records of this body will show that I have consistently presented legislation and supported legislation covering a far broader approach than price supports alone.

Many of the new suggestions I first proposed have been adopted by even this administration, in one form or another, and used as their very own.

It was my proposed amendment to the Mutual Security Act, offered in the Foreign Relations Committee, which led to the program we now have of making better use of our abundance as an arm of our foreign policy. Of course, this administration rushed up the same bill, under another name, to make sure HUBERT HUMPHREY did not get the credit. That is all right with me, so long as the job is done.



This is the most partisan administration that has ever come to Washington, anyway, and we can expect it to act in that way.

Long before the administration was willing to wax so eloquently about its soil bank, the Senator from Minnesota had introduced legislation in this Senate calling for such an approach under the name of a Conservation Acreage Reserve.

Many more constructive suggestions which we have advanced or joined others in advancing have still lacked acceptance by this administration. Yet I am happy to be able to say we are making progress on several of them despite the administration's reluctance, or outright opposition.

For several years this Senator has supported the food stamp idea to stimulate consumption of our food abundance among low income groups, joining with the Senator from Vermont [Mr. AIKEN] and the Senator from Oklahoma [Mr. KERR] and others in pushing for such a program.

When even the persuasive Senator from Vermont was unable to get the Department of Agriculture's cooperation in starting a food-stamp program while he was chairman of the Committee on Agriculture, I joined with the Senator from Oklahoma in a new approach before the Senate Finance Committee, seeking to adopt the plan as a supplement to our social-security legislation.

I wish to make clear, Mr. President, that no man in the Senate has been more loyal to this administration than has the Senator from Vermont [Mr. AIKEN]. The Senator from Vermont, as chairman of the Committee on Agriculture and Forestry in the 83d Congress, was unable to get the Department of Agriculture to give him even as much as a little help with the food-stamp plan. As a cosponsor of the food-stamp plan, I can say we even sought to have put into operation a pilot plan for the food-stamp program in 1 or 2 cities. The Department of Agriculture said, "No; no; no." The Department of Agriculture has been barren of any imaginative ideas. The Department of Agriculture would rather be an anchor than a propeller. The Department of Agriculture would rather drag its feet than lift its head.

This administration has had no foresight in agricultural areas. This administration looks upon agriculture as a problem rather than as an opportunity. This administration has let the farmers down. This administration has betrayed the farmers, and, what is more, it has betrayed the great history of America by being so negative in its attitudes.

I should like to have someone point out to me one single new proposal this administration has made in the field of agriculture. I can well imagine that someone is going to jump up and say, "The soil bank." As author of the soil-bank proposal, I do not even claim it is new. It has been with us ever since the 1930's.

The only thing this administration has done that is new in agriculture is to hire public relations firms. The most amazing development in government is

the use of gimmicks, the use of slogans, the use of public relations experts, the use of a kind of a synthetic approach to government rather than a substantive approach: "Sell the people. Sell the people on this and that." What the administration has done is sell out the people.

Government is not a commodity, Mr. President, and one does not sell government. If this administration had brought into its councils persons who are deeply concerned about agriculture, rather than advertising agents, TV experts, and public relations counselors, we would have had some progress.

I cannot help but chuckle when I see how futile the administration's efforts to "sell" the Eisenhower farm program are. The administration may be selling it to a few people on the 44th floor of some office building, but it is not selling it to good, red-blooded American farmers, or at least it is not selling it to the majority of the farmers.

Going back to the food-stamp plan, I remind my colleagues that we tried to get some help on the food-stamp plan from the Department of the Senate Committee on Agriculture and Forestry this year. No help, no assistance, from the Department was available. But the Department is willing to tell the American people, through its Secretary and other spokesmen, that we have terrible surplus problems. Well, let me tell the Department that 1 out of every 6 families in America is now on a subsistence diet. Let me tell the Department 1 out of every 6 families in America has an income below \$2,500 a year. If the Department would quit bellyaching about the surpluses and get down to business and use the surpluses for needy people, we would have a much healthier America and a much better attitude about our Government and about this Nation in the eyes and the minds of other peoples throughout the world.

It is an amazing thing to me that this Government, which is a readily available client for every public relations outfit in the country, cannot understand what poor public relations it is, internationally, to advertise that the No. 1 American problem is a surplus of food and fiber. We advertise it in a world of poor and hungry. We advertise it to nations in the world to which we are sending economic aid and military assistance. Is it any wonder that we are sometimes in difficulty with the underdeveloped and the underprivileged peoples of the world, and with the uncommitted areas of the world?

Mr. President, I am happy to be able to report we seem to be making more progress in that direction. I am sure the Senator from Oklahoma will have more to say about that himself. None of us contend the food-stamp plan alone will solve all our problems, any more than we say price supports alone will solve them. But we think expanding domestic consumption will certainly help farmers, as well as help a lot of other people who need help at the same time.

The food-stamp plan to which I have referred is in the Committee on Finance, and it may well be proposed as an amendment to the Social Security Act.

I am happy to be a cosponsor of the amendment. I am happy to have worked with the Senator from Oklahoma [Mr. KERR] as cosponsor, and to have consulted with him in his office.

I told the Senator from Oklahoma, at the time we were working on it, he could expect no assistance from the administration; that he could expect officials of the administration to resist; that he could expect them to oppose him. But, thank goodness, the Senator from Oklahoma is a scrapper. He will fight for it. And thank goodness that in the Committee on Finance there seems to be a friendly reception.

What does the Department of Agriculture say about all these efforts? Let me read a letter expressing the Department's views. I shall read a line or two, and shall ask to have the entire letter embodied in the RECORD:

Although food-stamp programs present possibilities for increasing the consumption of foods, we sincerely feel that a program of the broad scope of a stamp plan cannot be justified in the United States under current economic conditions.

Later in the letter, objection is made to the food-stamp plan.

In the letter, which is dated February 17, 1956, the Acting Secretary of Agriculture, True D. Morse, says:

We would strongly recommend that it be initially restricted to a few areas on an experimental basis.

That statement finally comes out, after again and again, ever since the 83d Congress, requests have been made for some action in this field.

Mr. President, I now ask unanimous consent to have the entire letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, D. C., February 17, 1956.  
Hon. HUBERT H. HUMPHREY,  
United States Senate.

DEAR SENATOR HUMPHREY: This is in reply to your letter of January 24, in which you request information as to what consideration is being given in the Department to the possibility of using a food stamp plan to increase potential consumption among low-income families and persons now receiving public assistance.

Although food stamp programs present possibilities for increasing the consumption of foods, we sincerely feel that a program of the broad scope of a stamp plan cannot be justified in the United States under current economic conditions. Further, according to Department records, previous experience with similar programs indicated that they were complex and costly to administer and considerably more effective for some commodities than for others. It should be mentioned also that while such programs act to prevent the accumulation of inventories of surplus foods, they are not primarily designed for the purpose of moving commodities out of government inventories, which is our immediate problem.

Considering these factors, if a food stamp plan were again authorized by Congress, we would strongly recommend that it be initially restricted to a few areas on an experimental basis. We have not undertaken a detailed study of specific areas in which experimental operations could take place, but selection of such areas could best be determined after any decisions were made concerning the desirability of such experi-



mental operations, their scope, and the amount of funds available for such purpose. In selecting sites for experimental programs, consideration would be given to food items that might be included, to employment and income situations, and to the acceptability of the experimental program from the viewpoint of State and local public officials.

Thank you for your interest in this program.

Sincerely yours,

TRUE D. MORSE,  
Acting Secretary.

Mr. HUMPHREY. Mr. President, I was interested to note that the Acting Secretary of Agriculture, True D. Morse, who signed the letter for the Department, stated that "we sincerely feel that \* \* \* a stamp plan cannot be justified in the United States under current economic conditions." I would suggest that some of those in the Department of Agriculture visit some of the old people's homes and look over the level of old-age pensions and old-age assistance being given to hundreds of thousands of our elder citizens. I would suggest that they look at the budgets of some of the needy families, and I would suggest that they ask themselves whether they can justify selling powdered milk for 3 cents a pound for hog feed and cattle feed—and they sold 15 million pounds of it, or more, at that price, after having paid for it over 12 cents a pound in the market. I would also suggest that they ask themselves whether that is normally defensible, when they refuse to cooperate with the Congress in the establishment of a food-stamp plan for the senior citizens of our country, the elderly people, who could use this food to such good advantage, or for the children in underprivileged families.

Mr. President, is it not amazing that the Department of Agriculture says it is not interested because such a plan would only stimulate consumption and would tend to prevent new surpluses piling up, and would not do anything about getting rid of the surpluses they now have on their hands. How narrow can their minds be? How limited can their vision be? Is it their only approach to agricultural legislation ways to get rid of an administrative problem on their hands because they do not know how to manage the surplus? Do they not care at all about building future consumption, so they will not get more surplus? This is just one of many examples of their limited approach.

It is the Department of Agriculture and this administration—not HUBERT HUMPHREY and the Democratic Party—that have a fixation on one goal alone, and refuse to consider anything new.

This administration came into power with one fixed idea about what to do to our farm program, and it has refused to budge one inch. It is on the side of the fence that is occupied by those who have closed minds, and it is taking the limited approach. It has repeatedly refused even to give fair consideration to suggestions from others.

Mr. President, let me cite another example. It is the business of the Congress to be concerned with the plight of our people. Agriculture is not the private province of the Secretary of Agriculture alone. We have a right and a

duty to speak out when we think the farmers are being neglected, or when we think programs are not being administered properly. We are entitled to respectful consideration.

The Secretary of Agriculture is entirely within his rights if he disagrees with us on policy; but we, as Members of the Senate, are entitled to respect. He has been glorified in the press as a great and honorable man; and it has been said that it is a shame to pick on him, even when he makes mistakes.

Mr. President, I wonder how many Secretaries of Agriculture in our history have ever insulted the Senate as flagrantly as Mr. Benson does? Let me give one illustration:

At the year's end, 13 Senators, concerned about falling hog prices and cattle prices, wrote to the Secretary of Agriculture expressing their concern and advancing some suggestions about action he might take to remedy the situation. We did not receive the courtesy of an answer until after I took the floor of the Senate to protest his refusal to even acknowledge our letter.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the answer Secretary Benson finally sent to me, after learning of my protests on the Senate floor. Mr. President, please note the date of the Secretary's letter—February 20, 1956. That letter was in reply to a communication sent by me and 12 other Senators to the Secretary of Agriculture on December 30, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, February 20, 1956.  
The Honorable HUBERT H. HUMPHREY,  
United States Senate,  
Washington, D. C.

DEAR SENATOR HUMPHREY: I note your repeated requests for a reply to a letter dated December 30, 1955 and signed by you and 12 other Senators.

The fact that such a communication had been addressed to me first came to my attention through the newspapers on January 2, 1956. The letter was not received in the Department until January 3, 1956.

It appears from the foregoing that your primary purpose in writing the letter was to publicize your point of view, to which you are certainly entitled. I therefore feel that a reply in detail is not indicated in this instance.

Sincerely yours,

EZRA TAFT BENSON,  
Secretary.

Mr. HUMPHREY. Mr. President, to make the RECORD complete I also ask unanimous consent to insert at this point in the RECORD the original letter we sent the Secretary; and I ask to have the letter printed along with the signatures of the 13 Senators who joined in sending it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 30, 1955.  
The Honorable EZRA TAFT BENSON,  
Secretary of Agriculture,  
Department of Agriculture,  
Washington 25, D. C.

DEAR MR. SECRETARY: On the eve of another session of the Congress, and a critical new year for American agriculture, the

undersigned unite in directing your attention to the increasingly serious economic problem confronting America's producers of beef, pork, milk, eggs, and other animal products.

During the campaign of 1952, General Eisenhower repeatedly pledged to our farmers that such perishable commodities would be treated the same as other commodities designated by law as "basic."

Those pledges have not been kept. Hog producers and beef producers are both in serious trouble. The responsibility for recommending a means of protecting them is yours. For 3 years we have waited in vain for any constructive recommendation aimed at carrying out the campaign promises held out to producers of these commodities.

It is generally recognized that these perishable products make up a great proportion of our country's total farm income, and account for a substantial share of the dangerous loss in that farm income.

You have personally said on many occasions that one of the flaws of the past and present programs was that they were designed to protect only certain limited farm commodities. Yet we have seen no action on your part to extend that protection, as promised, to these other perishable commodities.

Now we call upon you and the administration to present such recommendations in the President's forthcoming farm message to the Congress.

While awaiting your legislative recommendations for effective protection to our producers of all forms of livestock and animal products, we call upon you to exercise the authority you already possess to alleviate the hardship conditions of depressed prices and income that now exist.

You have invited suggestions. We offer you the following:

We respectfully suggest that you immediately embark upon an expanded purchase program of animal products for school lunch and relief distribution out of funds available to you for that purpose. Such an expanded program should be geared to increasing the returns to farmers rather than increasing the profits to meatpackers and processors.

We recommend that you immediately reorganize your purchase programs for these products to require bidders submitting offers to the Government to certify that they are buying an equivalent amount of the same product in the open market at prices reflecting to the farmer at least the level of parity authorized by law for the basic commodities.

Ample evidence is now available that your present hog buying program is failing to bolster effectively hog prices to the farmers. Instead, its benefits are going primarily to meatpackers whose profits have already soared during the past year as farm prices declined. The same valid objection was raised to your past beef buying program. We respectfully suggest that such programs should provide some assurance of increased returns to producers, not just more profit for packers.

Rather than having your own Department contribute to downward pressures in a falling market by trying to buy cheaply while expressing the hope prices will improve, we call upon you to take specific action toward stabilizing the livestock market at a level fair and reasonable to farm producers, by insisting that your suppliers certify they are basing their sales offers to the Government upon purchases reflecting a fair price to producers, according to the minimum standard we have suggested.

Ample outlets exist for a far greater distribution of meat and animal products in the school-lunch program, through relief and welfare groups, and through voluntary agencies cooperating in overseas rehabilita-



tion work, than you have so far been willing to undertake, despite availability of funds within your Department earmarked for such purposes.

If seriously undertaken with a will to make it work, such an expanded purchase program conditioned upon requiring certification of prices paid to producers will surely help turn the tide of the existing economic depression in many of the major areas of agricultural enterprise.

If, at this late date, it proves to be a case of too little assistance too late, we in the Congress will face the task of providing whatever additional authority may be needed for more direct assistance.

Before we take such steps, it seems reasonable to exhaust every means available under present law to relieve the economic distress caused by depressed prices. We respectfully urge your full and determined action.

Sincerely,

HUBERT H. HUMPHREY, THOMAS C. HENNING, JR., ESTES KEFAUVER, RICHARD L. NEUBERGER, MIKE MANSFIELD, MIKE MONRONEY, WAYNE MORSE, DENNIS CHAVEZ, W. KERR SCOTT, JAMES E. MURRAY, WARREN G. MAGNUSON, ROBERT S. KERR, PAUL H. DOUGLAS.

Mr. HUMPHREY. Mr. President, I want my colleagues who signed that letter, and did not get an answer, to read the belated answer I finally forced out of Secretary Benson.

Is that the answer of an honorable man, seriously considering suggestions to improve conditions in agriculture?

Just listen to the letter, Mr. President:

DEAR SENATOR HUMPHREY: I note your repeated requests for a reply to a letter dated December 30, 1955, and signed by you and 12 other Senators.

The fact that such a communication had been addressed to me first came to my attention through the newspapers on January 2, 1956. The letter was not received in the Department until January 3, 1956.

It appears from the foregoing that your primary purpose in writing the letter was to publicize your point of view, to which you are certainly entitled. I therefore feel that a reply in detail is not indicated in this instance.

Sincerely yours.

Mr. President, the letter was mailed on the morning of December 30. The letter could have been put on the back of a rheumatic turtle and could have gotten to the Department of Agriculture before January 3. Apparently what the Secretary of Agriculture was saying was that the Postmaster General does not have a functioning Post Office Department. The letter was mailed on December 30. So it had all day of the 30th, all day of the 31st, all day of the 1st, and all day of the 2d of January to reach the Department of Agriculture. Am I to believe that it took 4 days to transport the letter from the Senate Office Building a distance of approximately 20 blocks to the Department of Agriculture? If that is the record of this administration in the field of post office management, I wish to know about it. I am also of the opinion—I have been so told—that congressional mail receives rather prompt handling. I notice that the Secretary of Agriculture was able to read in the newspapers about my letter. Let me say, by the way, that the letter was signed by me and 12 other Senators—a total of 13 Senators.

Even if the Secretary of Agriculture was a bit miffed over the fact that he read about the letter in the newspapers on January 2, it seems to me that a reply was still called for, because in the letter were embodied some very important proposals which we made. For instance, we offered some proposals regarding "an expanded purchase program of animal products for school lunch and relief distribution." We asked that proposals for purchase be directed more to the benefit of the producer rather than the processor, and so forth. I ask my colleagues if this is a reply which is calculated to be really helpful in improving conditions in agriculture. Or is it the answer of an angry partisan, refusing to believe that anybody else could have any ideas better than his own? I shall let my colleagues judge for themselves.

The Secretary makes quite a fetish of the fact that the letter was released before he read his mail.

Mr. President, it is not my fault if Senators are concerned enough about their duties to be working on the Saturday before the year-end holiday, and the Secretary is not. The letter was sent to the Department of Agriculture on the last Saturday of the year.

It was not made public until after it had been delivered. Whether or not it was made public is none of Secretary Benson's business. If 13 United States Senators write an appeal to him, they are entitled to the courtesy of a reply—and not the kind of a reply finally obtained.

I wonder how many Senators Mr. Benson would require to sign a request, before he would ultimately consider answering it. I would like to know. If 13 is not enough, perhaps we can sign up 50. If 50 is not enough, perhaps we can sign up more.

As one United States Senator, I do not like such arrogance on the part of any officer in the executive branch of this Government, regardless of the party in power. We are elected. We are chosen by the people, to represent them. Secretary Benson is an appointed officeholder. He should remember that.

I should also like to clear the air about partisanship in connection with farm policies. No one has tried harder than I have to get action on a farm bill before we were in an election year climate. No one has tried harder than I have to examine carefully every suggestion on its merit, whether it originated with a Democrat or a Republican.

That is why I have cosponsored a food-stamp plan with the Senator from Vermont [Mr. Aiken]. His plan was good, and deserved support, regardless of the fact that he usually disagrees with me and seems to be assigned the partisan task of continually taking on HUBERT HUMPHREY.

We have always had bipartisan support for farm legislation down through the years of Democratic administrations, and we have always been happy to give credit to our colleagues on the other side of the aisle who stood with us for the farmers.

Today, despite all the public appeals of Secretary Benson about avoiding par-

tisan politics in farm policy, more politics has been injected into it under this administration than ever before.

Who is injecting politics into this farm debate, when the Republican Party earmarks \$250,000 for a campaign of newspaper advertising and radio spot announcements throughout rural areas of the country asking farmers to "help Eisenhower pass the new farm program."

What farm program? The program we are voting on? The program developed out of bipartisan support in our Committee on Agriculture?

Oh, no. They ask support for the "Eisenhower-Benson farm program," outlining nine points, some of which are not even in legislation; yet they provide a coupon for farmers to mail to their Senators asking them to vote for the "Eisenhower farm program."

The name "Eisenhower" may be magic, but it does not produce farm policies, and it has not brought up farm prices. It may get votes, but it does not bring about farm prosperity.

Mr. President, we have been doing a great deal of talking on this floor about attempts to influence legislation. Quite an attempt is going on right now.

Can anyone show me a time when an administration has conducted such a campaign, including coupons for people to sign and send to Members of Congress, to influence their votes.

That is not all. There is too much talk going around of "deals" being offered by the Department of Agriculture to certain commodity groups and certain Senators in return for vote switches. Apparently, they are willing to pay any price to win a symbolic victory. When I say "they" I mean the administration.

Perhaps our new Committee on Lobbying might want to look at lobbying by this administration itself.

Ample opportunity has been given the Administration to present its views and its testimony. Officials of the Department of Agriculture were extended every courtesy by the Senate Committee on Agriculture and Forestry. They sat in on all executive sessions. They had every opportunity to present and argue for their views.

I think it is about time for the executive branch to attend to its own business, instead of devoting so much time to lobbying, and let Congress make up its own mind on farm policy. Let the executive branch spend a little more time on foreign policy.

I think I have made it clear that we as Democrats are interested in far more than mere price supports.

I wish also to make it clear that we recognize price and income protection as a vitally important cog in any farm program. We will insist that it be not brushed aside for any substitute "package" intended for entirely different purposes, no matter how attractively it is wrapped up in Madison Avenue sales-promotion techniques.

If we fight hardest now on the price-support issue, it is because those who would neglect agriculture are fighting hardest against us on that issue. They are making that the target of their at-



tack, and we are only meeting them head on.

We had to fight just as hard for REA, but most of our critics joined us after we finally won.

We have fought just as hard for conservation, and still will the minute anybody tries to undermine the gains we have made.

So our fight for effective price and income protection does not mean that we are abandoning any other goals, or are less interested in any other goals. It means that this is the current battleground, where our foes are trying to undermine agriculture's progress.

Our current fight for agriculture has very properly been an economic one, for most of us have long realized that all progress in rural America—and, yes, in all America—really stems from an adequate opportunity for diligent farm people to earn a decent living.

Without adequate opportunity, little social progress can be made in agriculture. We cannot have adequate rural schools, rural housing, and rural health facilities until farmers themselves can get a decent return for their toil. We cannot do the job we should be doing in conserving our heritage of productive soil unless farmers have the opportunity of providing properly for their families without having to mine that soil.

We cannot preserve our family pattern of agriculture unless economic opportunity continues to exist for young people to stay on the farm.

That is why so many of us have made the fight for an effective price-support program the focal point in our efforts toward greater progress in every realm for rural America. We know that most of such progress must eventually stem from the pocketbooks; and empty pocketbooks mean unfilled hopes and aspirations for our farmers and their families, dwindling business for rural communities, and stagnation for rural institutions such as schools and churches.

We have had a setback, under this administration, for the kind of economic protection most farmers feel is essential to agriculture's continued stability and prosperity. We are determined to regain that lost ground.

Mr. President, at this time I suggest the absence of a quorum, without losing my right to the floor.

The PRESIDING OFFICER (Mr. DANIEL in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair would inquire of the Senator from Minnesota how long the Senator estimates his remarks will extend?

Mr. HUMPHREY. About half an hour, Mr. President.

Let us get down, Mr. President, to specifics of the bill before us.

Title I pertains to price supports, primarily restoring 90 percent of parity on basic commodities.

Let us be honest enough to face the truth that without this title to the bill, nothing in it is going to raise farm prices and farm income to any degree this year.

Title I of the bill provides an increase in farm income of approximately \$850 million. If the Senate wishes to go on record to reduce that sum of \$850 million, the thing to do is to vote against title I as now written in the bill. If it wishes to add some farm income and, at the same time, curb any excess production because of the equities and allotments which are included in the 90 percent provision, it can vote to sustain the title I language in the bill.

This is the big economic issue in the bill, Mr. President, and I hope that the American people will recognize it as such. The one thing that can be done for agriculture by this Congress is to enact title I and, by so doing, give a shot in the arm, so to speak, to the rather weak and faltering agricultural economy existing under present policies.

I would not mind it if our Republican friends who believe so strongly in lowering support levels, and will obviously fight so vigorously to save face by knocking out this provision to raise them, would stand up to farmers of the country and say:

Look, we ask you to go along with lower prices for another year or so.

We ask you to hang on and to cooperate in cutting down production still further while we are trying to get rid of supplies on our hands. We want you to quit producing so we can sell what we have. We think it is more important for the Government to sell its supplies than for you to sell yours.

That is what they are really asking farmers to do in the Eisenhower-Republican farm program, as the advertising experts have proclaimed it.

I would not even mind if they went further and said:

Mr. Farmer, if you will go without any more income this year, we hope—and think—that your prices may go up in the future after we get our own problems taken care of by selling our commodities.

They would be honest if they told farmers that. Secretary Benson would be honest, and honorable, if he made that presentation.

But they are not satisfied with that. They know that farmers are "hurting," as the Senator from Iowa said when he was Secretary Benson's guest on television—when he used and abused free time granted by CBS to answer Edward R. Murrow, as a sales effort instead for the Eisenhower farm program.

Mr. Benson never answered Mr. Murrow. He never even referred to what Mr. Murrow had to say. Mr. Benson used his CBS time to advertise, propagandize, and would-be popularize the Eisenhower farm program—that is, the one which is in the newspaper advertisements.

They know farmers are hurting, and need help now. They also know an election is approaching, and that seems to make more impression on them than the fact that farmers are hurting. At least it has spurred more attention to

farm problems, even if it is dubious attention, on their part.

They know American agriculture wants to see some substantial boost to its economy this year.

So instead of being honest and saying they can only offer, once more, some vague hope for the future, they are trying to convince farmers they have some bold new plan of pouring a billion dollars more into their pockets.

They are spending a small fortune telling that story all over the country.

Even the coupon the Republican senatorial and congressional campaign committees have so conveniently made available to farmers to send their Senators and Congressmen as part of the current lobbying drive says:

I am in favor of the Eisenhower farm program. Let's get it passed before spring planting time so we can start getting our prices and income up this crop year.

Mr. President, I challenge the sponsors of this advertising campaign to tell us how the Eisenhower-Republican farm program it outlines is going to get prices and income up this crop year.

Oh, I know they claim that their soil bank and its curtailed production will give new buoyancy in the market place.

Mr. President, farmers know it is wishful thinking. However good it may be in the long run, curtailed production this year is not going to firm up prices this year so long as the Department of Agriculture is begging the trade to buy its own supplies of commodities.

The trade keeps its eye on total available supply, not merely the amount the farmer is producing each year, in determining market prices. Notice I say total available supply, not simply total supply.

If the Department wants to see some buoyancy in the market place, it could just suddenly decide its commodities were not for sale.

I see no hope for buoyancy in the market place until this administration shifts to a determination to force prices up, instead of plunging headlong along paths aimed at bringing prices down.

I direct my remarks to the point that if the administration refused to sell any of its surplus supplies and relied upon current production, farm prices would go up. I challenge the administration to prove to the contrary.

The administration, however, is more interested in dumping its commodities than it is in administering a successful farm program. The administration is so interested in disposing of its so-called surpluses that it is disposing of the farmers.

I said earlier tonight that the administration have built up such a straw man, such, as they put it, a monstrous image of a surplus, that they are now caught in their own propaganda. The facts are that if the administration locked up the surpluses now—tonight—and said to those in the free market that none of those supplies were available, the free market traders would have to deal in the current supply, in the pipeline of the free and open market. In so doing, there would be some buoyancy in prices.



Another of the pet arguments of our critics is to say that prices started falling and continued falling under 90 percent of parity programs.

Earlier in my remarks, I documented the fact that the fall in farm prices prior to the election in November 1952 was only down to 100 percent of parity.

I asked several thousand farmers in Minnesota over the weekend if they would be satisfied with less than 90 percent price supports. I did not hear any farmer say he would be satisfied with anything less. There is quite a difference between that and a decline to 80 percent of parity. Mr. Benson never is quite honorable enough to make that distinction when he talks about how much of the price decline occurred before he took office. Nor is he willing to recognize that the decline sharpened right after the election, before he took office, as the trade recognized a new philosophy was coming into the Department of Agriculture.

I merely wish to underscore for the record that those engaged in the trading of grain futures bid on futures. They knew when the Republican administration came into power that the future meant lower farm prices. That is exactly why the farm-price structure started to drop.

I have also documented earlier in my remarks how the 90-percent programs cushioned the declines even since then, with less percentage declines for such commodities than for those under the flexible support program or no support program at all.

Let me add that I am convinced the 90-percent program could have been a lot more effective in checking the decline during 1953 and 1954, if the program had been administered by those in sympathy with it rather than those whose avowed aim was to get rid of it.

Do not quote as convincing evidence to me failure of a 90-percent program when it was being administered by people trying to prove it would not work.

Some people do not even know how our farm support program is supposed to work. Sometimes I wonder if even our present Department of Agriculture does—at least the front office.

It is not simply a matter of making loans available to farmers at a certain percentage of parity, if they want to use them.

The entire idea is to provide a vehicle for farmers to work together in controlling their marketing so as to force prices up to the support level.

When we have a support program in effect, whether it be at 90 percent or 75 percent, if enough farmers hold their commodities off the market and put them under loan they can force the market to bid up to the support level and above, to draw those commodities into the market at prices permitting farmers to repay their loans.

But to make such programs effective takes organized cooperation among farmers, with leadership of the farmer-elected committees in townships and counties.

I have gone into some detail in my discussion as to what has happened to

the farmer-elected committees. I repeat that what has happened in terms of destroying the effectiveness and undermining the morale of the farmer-elected committees is in great part responsible for the decline in farm income. This situation could be corrected if there was a will to correct it. But the will is lacking.

If the Department of Agriculture, during the past 3 years, had ever really embarked upon a campaign to encourage farmers to make use of the program Congress had provided for their benefit, and had used effectively farmer committees to explain how it could work for all farmers, we could have checked these price declines, reversed the market, and in the long run avoided the Government having to take over as great a quantity of commodities to add to its surplus.

If the administration is so afraid of a surplus it should set out to really make these programs work.

When commodities are placed under loan, they are going to end up in Government hands unless the Department can effectively manage its program to stimulate the market up above the loan level. Once the market gets up there, all the Government eventually has to acquire is the real surplus of amount above effective demand rather than having to take over far more than is actually surplus, simply because some of it is under loan that farmers cannot repay at going prices.

In other words, the private grain trade today has no inventory or substantially no inventory. All the inventory, with very few exceptions, is in the hands of the Government. Why? Because no businessman in his right mind would want to hold commodities at any price, when he knew that the attitude of the administration would cause a further decline in prices. The private grain trade business would be rubbed out on that basis.

So the private grain trader today, the man who is engaged in trading in flax, soybeans, corn, wheat, or feed grains, says, "Let the Government own it. We will buy from the Government's stocks. Let the Government have the inventory. The Government is juggling the prices. Let the Government take the losses."

The reason for that attitude on the part of the private grain traders or the traders in agricultural commodities is quite obvious. It is that no businessman can long survive in the private grain trade under the policies pursued by this administration. This administration has come mighty close to socializing agriculture. The administration has come mighty close to providing incentives for collectivizing agriculture. It has done so in the name of being the party of free enterprise. Never in its history has the United States Government been more deeply involved in the grain business than it is now under the Republican administration, the free-enterprise administration.

I have seen no evidence of an effort by this administration to encourage a mass seal-up to bolster prices, such as has been done in past years to turn a

downward trend in the cotton market. Instead, I have seen just the reverse.

It was to this very fact that the Senator from New Mexico was referring a few nights ago on a television broadcast, when he said that we had surpluses before, but we had Secretaries of Agriculture who used their authority, not to depress prices, but to bolster them.

The attitude has been: "Well, the loans are there; if a farmer wants them, let him come in and ask." The great educational impact of the farmer-committee system, with its intended potential of mobilizing farmers to work together for orderly marketing, has been deliberately abandoned. In fact, efforts have been made to deemphasize use of these committees, and leave everything up to clerks in county offices.

Mr. President, that was told to me on Saturday of this past week by members of county committees in Minnesota. Members of the county committees told me, as their Senator, that under this administration the program of trying to encourage farmers to participate was practically at a standstill. Members of county committees told me, as their Senator, that there was not any real educational program to get farmers to sign up for acreage controls and acreage compliance.

Is it any wonder the program is bogging down?

I charge on the floor of the Senate that this is a deliberate plan on the part of this administration. The administration has never believed in a price-support program, and one way to get rid of a price-support program is to make it a disgrace.

There has been a constant barrage of propaganda going forth from Government sources as to the evil of a price-support program. I would note for the record that it is this administration which has the responsibility to make the program a success. The administration has been against the Democratic program of 90 percent of parity, and it cannot make its own program work.

Why? Because it has taken the heart out of the whole farmer-elected committee system, and no agricultural program can work from Washington. It has got to be at the county and township level. The administrative structure at the county and township level is in a shambles.

Mr. President, do you know what farmers tell me? They say they do not want to go into an office and have a 22-year-old girl tell them all about the farm program.

In my part of the country, farmers are accustomed to having their neighbors come to their farms and measure their land for acreage reductions and work with them on soil conservation programs. The farmers in the great Midwest have been accustomed, since 1933, to working with their own fellow farmers, their own neighbors, in directing and administering the great agricultural conservation program and the price-support program.

All of this is now changed. Now in the office of a county committee there are a county manager and a clerk-typist. Under the rules and regulations, that county manager is supposed to be hired by



the county committee. In actual practice, if the county committee hires anyone the State chairman does not like, the State chairman fires him. And if the county committee insists on hiring its own selected county manager, then the State chairman fires the county committee, even though the county committee is elected.

This is the first administration that has openly defied the election process, and I repeat on the floor of the Senate, with evidence gained and obtained under oath, that this administration persists in condoning and supporting State committees—State ASC committees—that remove summarily the elected township and county committeemen, when those elected township and county committeemen refuse to take the political hacks and the political appointees of the State committee and the Republican Party. There is plenty of evidence to that effect, and that evidence has been turned over to the Secretary of Agriculture.

If the 90 percent program has been less effective than it should have been under the Benson administration, it is the fault of the administrators, not of the program. It is the fault of administrators who have publicly disapproved of the program they are administering right from the start.

Mr. President, you cannot put confidence in a market when a Secretary of Agriculture or his assistants publicly announce they think farm prices are too high, that downward adjustments are necessary. Yet that is just what they have done, time after time.

Give back to the farmers a law establishing support levels at 90 percent, and farmers will give us an administration next year that will make it work.

Keep the 90 percent provision in the bill, if we really mean to help agricultural income this year.

Certainly we cannot bolster farm income with policies that have permitted and encouraged farm income drops of 26 percent in 3 years and 12 percent in the last year, with another 5 to 10 percent drop already predicted for this year by the Department of Agriculture itself.

I say this prediction of a further drop in agricultural income is a confession of utter failure on the part of the administration, a monument to its gross inadequacies and inefficiency.

The only action that will solve the problem now before us is legislation that will stop the fall in farm family income, and raise it to a level commensurate with a fair opportunity for farmers in an otherwise expanding national economy.

Existing law permits and authorizes, in general, but does not require, the executive branch to take the necessary actions required to protect and improve farm income.

I wish to underscore this: The law which is now on the books could be used to boost farm income. There is plenty of law on the books now to enable the Secretary of Agriculture and the President to take affirmative, positive action, but they will not do it, so we are going to have to direct them to do it. Then if they fail, under the man-

datory provisions of the law, there is only one thing to do, and that is remove them. We have ways to remove secretaries, and we can remove presidents by elections.

There is a lot more authority already on the books than most people realize. There is even authority for direct parity payments, but the administration has never asked Congress to provide funds for them. I shall have more to say about that later in discussing some of the amendments I shall propose.

However, the executive branch has not used the authority it has. On the record, there is no reason to believe or hope that the executive will extend more nearly adequate farm income protection programs than the Congress actually directs it to establish and carry out.

That is why we must take the responsibility, if farm income is to be increased this year.

That is why 90 percent of parity must be restored, as a majority of our committee has agreed.

If title I is left in the bill intact, approximately 800 million bushels of milling wheat would be eligible for support loans at \$2.25 per bushel, instead of \$1.79. That means adding \$368 million to national farm income. Voting against 90 percent support means taking \$368 million away from wheat farmers.

Milling wheat is under severe acreage restrictions. Voting for 90 percent supports would not mean surpluses. It would mean that the farmer would get a fair price for what he produces, and at the same time production would be very severely limited.

If title I is left intact in the bill, approximately 7.3 billion pounds of cotton will be eligible for price-support loans at 28 cents per pound, instead of 26 cents. That means adding \$146 million more to national farm income of cotton farmers. To vote against 90-percent support will mean to take \$146 million from the pockets of the cotton producers.

If title I is left intact in the bill, approximately 1.6 billion pounds of peanuts will be eligible for support loans at 12 cents per pound, instead of 10 cents. That will mean an increased income of \$32 million to peanut growers. To vote against 90-percent support would mean to take \$32 million away from the peanut producers.

If title I is left intact in the bill, approximately 900 million bushels of corn sold from the farms where it was produced will be eligible for support loans at \$1.64 per bushel, instead of \$1.40. That would raise farm income by \$216 million. To vote against 90-percent support will mean to take \$216 million out of the pockets of the corn producers and out of the business and trade channels of the Corn Belt.

If title I is left intact, approximately 61 billion pounds of manufactured milk will be supported at \$3.26 per hundred-weight instead of at \$3.07, adding about \$121 million more to the gross and net national farm-family income. To vote against title I will mean to take \$121

million out of the pockets of the dairy farmers.

Mr. President, I am not ready to let that happen. Enough money has already been taken out of the income of our dairy farmers. I want this RECORD clear, namely, that the administration's farm program means reduced farm income. I want every dairy farmer in Minnesota, Wisconsin, New York, Ohio, Mississippi, and Florida to know that the administration's farm plan means taking \$121 million out of their pockets. I can think of very few pieces of legislation in the Congress, except the Eisenhower-Benson farm program, that were purposely designed to take money away from people.

The pending bill, reported by the chairman of our committee and the majority of the committee—S. 3183—will add to farm income in the crop year 1956.

If we keep administration pressure and propaganda from stampeding this body into knocking out the only income-raising sections of this bill, national net farm-family income might be in the neighborhood of \$11.2 billion this year, instead of the \$10.2 billion to which the Department of Agriculture now expects farm income to fall, based on farm price and income policies now in force.

That \$11.2 billion income will still be far below the 1952 farm income of \$14.9 billion, but we cannot undo in 1 year all the damage that has been caused in 3½ years. At least it is a step upward, instead of slipping further behind. Even with this added-income portion of the bill, the level of farm income in 1956 will be only 2 percent better than the very low status of 1955. That is asking mighty little of the Congress; yet it would be welcomed by the farm people as a welcome change from the skids they have had put under them.

Recently, I read with considerable interest how a big mass meeting of farmers in Illinois opposed 90 percent of parity; and I suppose we shall be hearing more about it during this debate. But just let me reassure my colleagues that if they wish to judge this issue by farmer demonstrations, I will match them with two farmers for every one who can be assembled in the opposition's propaganda campaign; and it will not have to be as "forced" a meeting as I understand the well-publicized Illinois gathering organized by supporters of the administration was.

I should like to know more about that meeting, and how each paid truck driver who delivers fuel and supplies to farmers is required, as part of his job, to bring an automobile-load of farm people to attend the meeting. I should like to know how much freedom of expression there was at the meeting, or whether it is true, as some of the radio correspondents who were present say, that the meeting was abruptly terminated when it threatened to get off the well-planned advance schedule of action.

I do not want "stunts" to determine our legislative policy. But if we are entering an era of guiding public policy by public-relations gimmicks and demonstrations, I have no doubt at all that it



would take no more effort than a call broadcast over our radio waves, and carried by our wire services at a given signal, to mobilize farmers' mass meetings in every county seat of the Midwest, to tell the Congress in no uncertain terms that they want increased income this year, and they want restoration of 90 percent price supports.

Mr. President, I advocate just that. I advocate that before the votes are taken on this bill and the amendments to it, the farmers have some mass meetings at the county seats. I should like to see the farmers of the great Midwest and the South and the East and the Far West march to their county courthouses and, in good old American fashion, get up and speak their minds and prepare resolutions, and petition their Government for action. I think the only way the farmers are going to be able to shock the Congress into a realization of what needs to be done is by dynamic, militant, vigorous, political action.

If our press and wire services would like to do something for the country, the one thing they could do would be to broadcast this appeal for the farmers really to mobilize, to gather around the courthouses and in the public squares, and let their voices be heard, and speak their minds, and then petition the Members of Congress, one by one, name by name, and let their Members of Congress know they are determined to get some concrete and positive results. I say, Mr. Farmer, unless you do this, you are licked.

Mr. President, tonight I want to say to the farm people of America, from the forum of the United States Senate, "Unless something happens in the next 48 hours, you are going to take a licking in the Senate."

Mr. President, I have been counting the votes that seem to be available here. I am not a pessimist, but I think I am sufficiently realistic to know that the Members of Congress who favor 90 percent of parity are fighting with their backs to the wall; and unless the farmers of America speak out unmistakably, with vigor and determination, they are going to take another licking; they are going to get another economic blow that may very well lay them low.

Yes, Mr. President, I wish the farmers could move on Washington, could come to Washington in the way many other groups have done—come to Washington by the hundreds and, yes, the thousands, to fill these galleries, and to go into every office, and say to the Members of Congress, "All we ask is justice. All we ask is equity."

Mr. President, the American farmers are asking for no special privilege, but they are asking for equal treatment.

One of the discouraging things in this whole farm bill debate has been the lack of participation. I wish the farmers of America could see how little attention is really being paid on the floor of the Senate to their predicament. To be sure, some Members of this body have been most steadfast, determined, and persevering. But again I say to the farmers of America, "Unless you make your voice heard like the clarion call of

Paul Revere, you are going to get another raw deal." This time, it will not be the British who will be coming; but it will be the publicists, the propagandists, and the hucksters who have been coming and going and filling the minds of the American people with misinformation, to a point where the Congress may very well be stampeded into taking a position which will bring economic havoc to American agriculture.

Mr. President, I have advised the farmers in the State of Minnesota as to what is afoot here. I should have stayed in Minnesota today, to attend another 10 farm meetings that were scheduled. But, instead, I returned here, to do just what I am doing tonight, because, Mr. President, regardless of whether any of my colleagues listen to this debate, at least it will be in the RECORD.

I want the farm people of my State to know that their Senator was concerned about their plight. I want the farm people of America to know that there are members of this body who will never quit fighting for them. I want this administration to know, too, that I will not quit battling with them. They may win a temporary victory, but there will be plenty of fur flying between now and November. There will be many amendments offered in the Senate, and there will be yea-and-nay votes. When we have yea-and-nay votes on amendments pertaining to hogs, cattle, and other live stock, the farmers of America will know who voted for them and who voted against them. The farmers of America are going to know, too, who voted for and who voted against effective price supports.

I say again that the one hope the farmers have is to mobilize. I hope that within the next 48 hours, in every county seat in every rural area in the United States, the farmers will march forward, proclaiming their just demand for fair treatment by the Congress and the administration.

Mr. Farmer, forget your politics, whether you are a Democrat or a Republican. Keep track of how we vote. Mr. Farmer, forget your politics. Think about what this administration does, and how it acts. This is the one sure way to protect your economic and social life.

Mr. President, because I have mentioned the situation in Illinois, I ask unanimous consent to have appear at this point in the RECORD a letter from Howard O. Miller, farm director of the Mattoon Broadcasting Co., of Mattoon, Ill., which speaks very effectively and dramatically for itself.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MATTOON BROADCASTING CO.,  
Mattoon, Ill., February 16, 1956.  
The Honorable HUBERT HUMPHREY,  
Senate Agriculture Committee,  
Washington, D. C.

DEAR SENATOR HUMPHREY: I have never taken the time out to congratulate you and your splendid committee for the restoration of 90 percent parity. It's the only salvation for those of us who are farmers at the present time.

Our own American Farm Bureau Federation has sold us down the river. Hundreds of farmers are refusing to renew their affilia-

tion with them and I happen to be one of them. Why should I support an organization when it refuses to listen to the farmer? The big moneyed interest has taken over. So don't let anyone from their organization tell you that they represent the thinking of 1,600,000 farm families. They do not. Besides, they have a lot of bankers, lawyers, doctors, and school teachers listed as farm families.

The only reason the present program hasn't worked is because only one-half of the farmers have complied. We need our program mandatory. Restore our corn and wheat prices to at least 90 percent of parity. Then I'm certain we will come out O. K. Sixteen cents a bushel on corn and 33 cents on wheat will help pay the bankers and at the same time get rid of surpluses.

I have talked to a lot of farmers personally and of course I talk to a lot of them daily, and I'm positive, with my connections and contacts, that you will have at least 90 percent of the farmers in accord with the 90 percent or better parity supports. Keep up the good work.

With kindest personal regards.

Sincerely,

HOWARD O. MILLER,  
Farm Director, Mattoon Broadcasting Co.

Mr. HUMPHREY. Mr. President, this is only one typical letter out of thousands I have received carrying the same appeal.

At the conclusion of my remarks I should like to present some of the telegrams showing how farmers out my way feel, and what their reaction is to the Benson-Eisenhower-Republican propaganda drive against them. A few days ago I presented many telegrams, but my office is filled with them.

But let us get back to the farm bill itself once more.

The increased income from wheat, corn, cotton, and peanuts provided by the bill would result from two features: extension of 90 percent of parity price support levels for these commodities in section 101 and section 102, and extension of the old parity formula by section 106.

Let me emphasize that both these features are needed to achieve an income advance this year. One without the other will not do it.

I have endeavored to make a case for return to 90 percent of parity price supports, which I believe is supported by fact, and fully justified.

I wish now to turn to the parity formula, section 106 of the bill.

#### PARITY FORMULA (SEC. 106)

Mr. President, we come now to the other half of the committee's action to stop the sliding scale of price supports.

This section will continue the use of full parity as farmers have known it for nearly a quarter of a century, on the great basic crops of corn, wheat, and cotton, as well as on peanuts. This section also instructs the Secretary to "make a thorough study of possible methods of improving the parity formula and report thereon, with his recommendations, to Congress within 6 months after the enactment of this act."

Mr. President, those who believed that the answer to the farmers' problems was the sliding scale of lower and lower prices did not stop with abolishing supports on some products and hoping to abolish them on still more.



They did not stop with a vicious campaign to vilify the farmer before his city customers.

They did not stop with the sliding scale of supports which deliberately hurts farmers just when they need help, and which forces farmers to produce more to make ends meet.

They did not stop with all these measures. They went beyond them to tamper with the parity formula itself, in the efforts to still further depress prices. By lowering parity for corn, wheat, and cotton, which are the backbone of our farm programs, the income for all of agriculture would be cut down.

Fortunately, this assault upon the whole principle of parity made by the 80th Congress was turned aside and postponed until this very year, by action of the 81st Congress. Efforts in the 83d Congress during consideration of the Agricultural Act of 1954 failed to extend the postponement beyond January 1, 1956.

If the so-called modernized parity for these great crops had taken effect when the 80th Congress leaders wanted it to, back in 1949 or 1950, the troubles of agriculture would be multiplied beyond what they are today, for reasons I shall soon explain.

If the 83d Congress, back in 1954, had listened to what we then said, farmers would not now be faced with the price cut which this section aims to retract and prevent.

The new so-called modernized formula for wheat, corn, and cotton makes such a drastic cut in income that even the sponsors of this measure felt obliged to soften its terrible blow by providing for applying the reduction in smaller yearly installments. Thus they provided for an annual 5 percent reduction in parity and named this "transitional" parity, with this operation to begin with 1956.

This transitional parity is much like trimming a dog's tail inch by inch, instead of chopping it all off at once.

The drop in parity provided by this year's 5-percent cut amounts to about \$450 million on the production of corn, wheat, cotton, and peanuts. In other words, if we maintain 90 percent of parity, with the use of the so-called transitional formula, there will be a drop of \$450 million in farm income.

There are two ways to bolster farm income in the bill. One is by maintaining the old parity formula until the Secretary of Agriculture can make a complete study; and he is requested to do so within 6 months. The other is by getting the price-support level up to 90 percent. If either of those sections is knocked out, farm income will take a tailspin.

If loans are made at 90 percent, as proposed by this bill, the loss under this 5-percent cut will be over \$400 million directly to producers of the 4 crops I have mentioned.

But the indirect cost to agriculture will be far greater. The corn loan is a basic factor in the price of all feeds, and the support level for corn thus affects the prices received by other feed producers, regardless of their loan levels

for their feeds. Still greater, the support level for feeds is the greatest influence upon the output of livestock, poultry, and dairy products, and therefore affects the prices for those products.

Cheap feed based upon a loan rate for corn which is low leads to cheap livestock, dairy, and poultry products. So the loss will be far greater than \$400 million if what we call the standard or old parity is discarded and the 5-percent cut made actual this year.

That 5 percent represents 13 cents in the case of wheat, 9 cents for corn, \$14 per ton on peanuts, and nearly \$2 a bale on cotton. So when we hear the words "transitional parity" what we are really hearing is, "This is another way to cut prices."

With a 90-percent loan rate, the difference in loans would be 12 cents on every bushel of wheat, 8 cents on the corn crop, \$12.20 a ton on peanuts, and one-third of a cent a pound on cotton. The cut in cotton is not so great the first year, but more will come later.

But this is not the end of the trouble that is in store for American farmers if section 106 as now written does not prevail.

Next year will see another 5-percent cut for wheat and peanuts, nearly that much for corn, and preparations for greater reductions for cotton. With 90-percent loans, the difference in 1957 will be 23 cents for wheat, 15 cents for corn, \$25.20 per ton for peanuts, and one-fourth cent for cotton. If the transitional parity goes into effect, if section 106, as written into the bill is defeated, the change for wheat will be 23 cents a bushel down, and so forth.

Assuming that Congress will not yet have acted, by 1958 these reductions in 90-percent loans will progress further, to 29 cents for wheat, 20 cents for corn, \$34.20 a ton for peanuts, and over a half cent a pound on cotton.

If we look as far ahead as 1959, the results will be still worse, always assuming Congress has not acted to give farmers a full and fair parity.

In that year the difference between 90-percent loans at the parity level farmers have been using since 1933 and the one now hanging over their heads is 32 cents a bushel on wheat, 26 cents a bushel on corn, \$34.20 a ton on peanuts, and nearly a cent a pound on cotton.

Mr. President, these drastic cuts in the income of our farmers must not be allowed to take place.

Consider what will happen to a corn-grower with some 5,000 bushels for sale. Because of this 5-percent cut hanging over his head, in 1956 he stands to lose 8 cents per bushel or some \$400, just at a time when he can stand to lose it least. The 15-cent lower rate for 1957 would mean \$750 less, the 20-cent cut in 1958, a full \$1,000 less, and the 26-cent cut by 1959 would mean \$1,300 that year.

That would be a total loss for the 4 years of some \$3,450, in many cases equal to a year or more of net income with today's conditions. That is what so-called modernized parity would do to the corn producer, even with 90 percent loans.

The wheatgrower would lose, if he had 3,000 bushels for market, similar

amounts. Nineteen hundred and fifty-six would see a cut of \$360 due to the 12 cents a bushel lower rate. In 1957 the 23-cent cut would add up to \$690 for that year. By 1958 the 29-cent lower support would mean \$870 less, and in 1959, the 32-cent difference would come to \$960. That would be a total of \$2,880 for the 4 crops, again equal to a year or more of net income.

The loss for peanutgrowers would be as great, proportionately, as for the corn and wheat raiser. For the cottongrower, the losses would not be as heavy within this 4-year period but there could be much more to come later.

Mr. President, that is the sorriest aspect of this attempt to trim our farmers by shortening their parity yardstick. As if it were not enough to make drastic cuts in parity for these important crops that are at the very base of our farm program, this scheme may well lead to digging the grave of the whole parity idea, by continually lowering parity.

It would take more time and patience than we have at this hour to fully explain all the involved calculations upon which this misnamed modernized parity rests, but I must take time to indicate that it is a true "time bomb" for farmers, and one which Secretary Benson should have been concerned about deactivating before it ever started to blow up.

This modernized formula does not put agriculture upon an up-to-date base in measuring what is a fair price, a parity price.

It actually still uses the 1910-14 basis, but tinkers with it in such a way as to have the result of cutting agriculture even below the levels of that period. It further does nothing to insure that present-day farming costs are accurately measured, such costs being still estimated on the basis of what farmers bought before World War II. All it really does is to "adjust" downward the principal products which are supported, and to provide a means whereby this downward adjustment might go on and on, if support prices on these products were kept at low levels. Thus eventually the parity yardstick for corn or wheat or cotton might be only 2 feet long or even only 18 inches long, and the income of agriculture could shrink accordingly.

This process of cutting price supports by cutting parity is based on a 10-year moving average as the means for "adjusting" parity. Nothing is changed from the 1910 to 1914 basis for figuring parity except that the relationship between the various farm products that has prevailed in the most recent 10 years is substituted for that which prevailed back in 1910 to 1914.

Thus any product which has had a below-average return for the past 10 years, as measured by what all farm commodities have been bringing, gets a new, lowered "adjusted base" and consequently a lower parity.

I digress to point out that every proposal the administration makes has something to do with an adjustment. Every adjustment the administration suggests is an adjustment downward. They have their foot in the back of the farmer and they are pushing his spine through the front wall of his stomach.



This is the most adjusting administration the country has ever known. It is constantly adjusting things downward. Price supports, down. Parity formula, down. Parity base, down. Everything down.

On January 15, the lower parity was substantial for most crops except tobacco, rice, soybeans, and cottonseed, which at present show a slightly higher parity. Parity was also lower for chickens, turkeys, eggs, butterfat, and most fruits and vegetables. There was a slightly higher parity for milk and hogs, but only for four products was there any really large increase: Beef cattle, veal calves, lambs, and wool.

The following table gives the percentage change from old parity to new parity as of January 15:

| Commodity:          | Percent change |
|---------------------|----------------|
| Hay.....            | -31            |
| Potatoes.....       | -30            |
| Eggs.....           | -26            |
| Grain sorghums..... | -25            |
| Oats.....           | -25            |
| Barley.....         | -24            |
| Rye.....            | -19            |
| Peanuts.....        | -16            |
| Wheat.....          | -13            |
| Chickens.....       | -13            |
| Turkeys.....        | -12            |
| Corn.....           | -10            |
| Flaxseed.....       | -8             |
| Dry beans.....      | -5             |
| Butterfat.....      | -4             |
| Cotton.....         | -1             |
| Milk.....           | 2              |
| Hogs.....           | 2              |
| Burley tobacco..... | 3              |
| Rice.....           | 5              |
| Soybeans.....       | 5              |
| Cottonseed.....     | 8              |
| Wool.....           | 15             |
| Veal calves.....    | 21             |
| Beef cattle.....    | 38             |
| Lambs.....          | 40             |

Mr. President, I want to repeat that this reshuffling for the different farm commodities does not result in anything more than the lowering of farm income.

The measurement of parity returns for agriculture are still made against the standard of 1910-14. The pie that agriculture is to divide is not made any larger than it was then. The pieces of pie, so to speak, going to the different commodities, are just altered in size, most being made smaller while a few are much bigger.

And it is because the cuts are made precisely in the products upon which our price support programs rest, that this can spell progressive disaster for farmers. What good does it do if we, for instance, greatly increase parity for cattle or hogs but provide no price supports for them, while at the same time we lower parity for corn and thereby insure lower prices for livestock?

We could have parity on hogs at \$50 a hundredweight, but if we do nothing to help hog producers directly it is the corn loan which counts.

And if the price of corn is lowered by lowering parity for corn, then what matters to the hog producer as well as the corn producer is what is done to parity for corn. The combination of sliding, flexible loans and modernized parity could have resulted in corn support prices dropping way below \$1 per bushel.

The modernized parity stands today 18 cents lower than what farmers have had, at \$1.64 instead of \$1.82, and it can drop and drop below this figure.

Mr. President, we have had during these last few years mandatory supports on only a few key products, plus some that are less important. As our farm law stands today, supports are sure only on the six basic products, plus the manufactured milk and butterfat products, wool, mohair, tung nuts, and honey. Disregarding the last 3, please note that the modernized parity is 16 percent lower for peanuts, 13 percent lower for wheat, 10 percent lower for corn, 4 percent lower for butterfat, 1 percent lower for cotton, 2 percent higher for milk, 3 percent higher for burley tobacco, 5 percent higher for rice, and 15 percent higher for wool. Only for wool can it be said that a substantial gain is made.

For milk products another part of this bill aims to prevent further cuts in the comparable parity price at which products are actually supported, which cuts have far offset this trifling increase in the parity price.

For the corn crop, backbone of the entire livestock, dairy, and poultry industry, a 10-percent cut is provided. For wheat, the largest cash crop over the years, a 13-percent cut. For cotton, only a small cut to begin with, but the possibility of large cuts as years go by.

That is why we say that unless and until we have an adequate support price under all our livestock products, such a modernizing of parity actually can do nothing but lower income for American agriculture.

We are in a low-income period for agriculture, which, if not corrected, will continue to lower the parities of those products which we are supporting.

This becomes a vicious circle, in which a low price results in a lowering of parity, a lower support, a still lower price, and a still lower parity.

If uncorrected, this very means of tampering with parity could become the principal means for permanently keeping agriculture far below parity, while the shorter yardstick would make it appear to city people that farmers were doing all right.

Now is the time to stop this vicious circle, before it goes any further.

That is the purpose of this section 106, to prevent automatic cuts in prices of principal products which would in turn bring further automatic cuts in the years ahead.

We make it mandatory for the Secretary of Agriculture to renew the study of what should be done to provide a truly modern and fair parity formula. Such a formula no doubt would use a more recent relationship between farm and city industry than 1910-14, but it would not overlook the tremendous change in the requirements for farming, such as our present formula does with its weightings for things farmers buy still based on the 1937-41 period.

Thanks to action by Congress, the Department of Agriculture is now at work gathering the facts upon which an up-to-date weighting of commodities can be carried out. That in itself makes this a

favorable time to review the whole question of the adequacy of the parity formula. We ask in this bill that the Secretary devote the next half year to study of this important factor in farm prosperity. After studying so many subjects over so many years, we think it high time that this key subject be properly studied by him, so that we can act before agriculture falls farther and farther behind the rest of the Nation.

I think we can be confident that Congress will not again adopt a new parity formula with as little knowledge of what it may do to harm farmers as was the case in 1948 when this so-called "modernized" formula was adopted.

Perhaps it was the natural result of a desire for cheap feed on the part of those dairy and poultrymen who buy most of their feed, after having gone through 1947 when a corn crop failure on top of emptying our ever-normal granary to feed Europe brought the highest grain prices in history in early 1948.

That was a natural desire, although I should point out that those producers with the advantage of protected milksheds and firm Federal marketing orders suffered far less than farmers elsewhere from the corn crop failure.

But, whatever the reasons and hopes, it is a fact that not until long after it was passed was it recognized that a 10-year moving average could greatly depress agriculture, and to this hour no sponsor of this "modernized" parity has to my knowledge yet acknowledged this imminent danger. Maybe it is because they do not recognize that what makes for cheap food makes in the long run for cheap livestock, poultry, and dairy products.

Maybe that is why Governor Dewey, anticipating a great victory in November of 1948, cracked the whip and got this sliding-scale, cheapened-parity law passed in the first place in the early morning hours of Sunday before convention back in 1948. As a gentleman farmer with a blue serge suit, it no doubt appealed to him, but ever since then it has hung over the heads of farmers everywhere. Mr. President, beware of the gentlemen farmers with their well-groomed appearance and nicely trimmed mustaches, in blue serge suits, on their crew-cut green lawns.

It is time we act decisively to remove this threat.

We have done so in this bill.

We have restored 90-percent supports.

We should not be taking back with one hand what the other gives, by using a cheapened parity on which to base the 90 percent.

This section will help to restore agriculture to its rightful position, and will prepare the ground for Congress to provide a new parity formula that is truly modern.

This section will put dollars into farmers' pockets that they should have, and it will aid in reducing surpluses by helping to eliminate cheap feed, the major cause of our present difficulty.

I, for one, do not want to have to answer to the voters this fall, if Congress should decide to cut parity at the very time farmers are in such difficulties.



Let others take the responsibility for such a step, if it is taken.

Let others rise to explain how a farmer, caught as he is between low prices for what he sells, and higher and higher prices for what he must buy, should be required by act of Congress to take a still lower price for his products.

If we mean parity for agriculture, we had better not shorten the yardstick by which we are measuring that parity, especially not in a time of distress.

This section is a necessary part of any effort that sincerely wants to go even part of the way to make good on the harm done farmers these past few years.

This section 106, along with the 90-percent supports, must have the full support of the Congress.

Let others tell farmers they should take less.

Mr. President, I would like the RECORD to show at this point what failure to pass this section can do to the corn and wheat grower during the next 4 years, in dollars and cents for a typical producer. I should also like the RECORD to show what happens to parity under this "modernized" formula for the basic products of corn, wheat, cotton, and peanuts in the next 4 years.

These figures are based on today's costs, and on the assumption that the loan price will influence returns to farmers about as it has in the past.

They are based on the further assumption that 1956 prices for all farm products will decline no further but will average the same as 1955, and that in 1957 and 1958 we will see a 15 percent and 20 percent increase, respectively. These are generous assumptions to make regarding farm prices. Further, these calculations assume 90 percent loans during the next 3 years. If loan rates are lower, then parity will be lowered further than here indicated.

Mr. President, I ask unanimous consent that the tabulations mentioned appear in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Direct effect on gross receipts of reducing parity for typical corn and wheat growers, 1956-59*

| Year   | Corn grower<br>(5,000 bushels) |               |                 | Wheat grower<br>(3,000 bushels) |               |                 |
|--------|--------------------------------|---------------|-----------------|---------------------------------|---------------|-----------------|
|        | Loss per—                      |               | Cumulative loss | Bushels                         | 5,000 bushels | Cumulative loss |
|        | Bushels                        | 5,000 bushels |                 |                                 |               |                 |
| 1956.. | -\$0.08                        | -\$500        | -\$400          | -\$0.12                         | -\$360        | -\$360          |
| 1957.. | -.15                           | -750          | -1,150          | -.23                            | -690          | -1,050          |
| 1958.. | -.20                           | -1,000        | -2,150          | -.29                            | -870          | -1,920          |
| 1959.. | -.26                           | -1,300        | -3,450          | -.32                            | -960          | -2,880          |

NOTE.—Assumes 90 percent of parity loans.

*Estimated effect of using transitional and "modernized" parity for wheat and corn for 1956-59<sup>1</sup>*

|                                                           | Corn                |                     | Wheat               |                     |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                           | Old parity          | New parity          | Old parity          | New parity          |
| I. Parity price                                           |                     |                     |                     |                     |
| 1956.....                                                 | \$1.82              | <sup>2</sup> \$1.73 | \$2.51              | <sup>2</sup> \$2.38 |
| 1957.....                                                 | 1.82                | 1.65                | 2.51                | <sup>2</sup> 2.26   |
| 1958.....                                                 | 1.82                | 1.60                | 2.51                | 2.19                |
| 1959.....                                                 | 1.82                | 1.53                | 2.51                | 2.16                |
| II. 90-percent loan                                       |                     |                     |                     |                     |
| 1956.....                                                 | <sup>3</sup> \$1.64 | <sup>2</sup> \$1.56 | <sup>2</sup> \$2.26 | <sup>2</sup> \$2.14 |
| 1957.....                                                 | 1.64                | 1.49                | 2.26                | 2.03                |
| 1958.....                                                 | 1.64                | 1.44                | 2.26                | 1.97                |
| 1959.....                                                 | 1.64                | 1.38                | 2.26                | 1.94                |
| III. Difference in loans, in cents per bushel and percent |                     |                     |                     |                     |
|                                                           | Cents               | Percent             | Cents               | Percent             |
| 1956.....                                                 | -8                  | -5                  | -12                 | -5                  |
| 1957.....                                                 | -15                 | -9                  | -23                 | -10                 |
| 1958.....                                                 | -20                 | -12                 | -29                 | -13                 |
| 1959.....                                                 | -26                 | -16                 | -32                 | -14                 |

<sup>1</sup> Assumes 90 percent loans for 1956-58; average farm prices for 1956 unchanged from 1955, up 15 percent for 1957, up 20 percent for 1958; and present parity index of costs.

<sup>2</sup> Transitional parity.

<sup>3</sup> Actual minimum loans already announced: Corn, \$1.40; wheat, \$1.81.

*Estimated effect of using transitional and "modernized" parity for cotton and peanuts for 1956-59<sup>1</sup>*

|                                                | Cotton       |                | Peanuts      |                   |            |                       |
|------------------------------------------------|--------------|----------------|--------------|-------------------|------------|-----------------------|
|                                                | Old parity   | New parity     | Per pound    |                   | Per ton    |                       |
|                                                |              |                | Old parity   | New parity        | Old parity | New parity            |
| I. Parity prices                               |              |                |              |                   |            |                       |
|                                                | <i>Cents</i> | <i>Cents</i>   | <i>Cents</i> | <i>Cents</i>      |            |                       |
| 1956 ..                                        | 35.22        | 34.84          | 13.6         | <sup>2</sup> 12.9 | \$272.00   | <sup>2</sup> \$258.00 |
| 1957 ..                                        | 35.22        | 34.96          | 13.6         | <sup>2</sup> 12.2 | 272.00     | <sup>2</sup> 244.00   |
| 1958 ..                                        | 35.22        | 34.62          | 13.6         | 11.7              | 272.00     | 234.00                |
| 1959 ..                                        | 35.22        | 34.31          | 13.6         | 11.7              | 272.00     | 234.00                |
| II. 90-percent loan <sup>3</sup>               |              |                |              |                   |            |                       |
|                                                | <i>Cents</i> | <i>Cents</i>   | <i>Cents</i> | <i>Cents</i>      |            |                       |
| 1956 ..                                        | 29.58        | 29.24          | 12.24        | 11.63             | \$244.80   | \$232.60              |
| 1957 ..                                        | 29.58        | 29.34          | 12.24        | 10.98             | 244.80     | 219.60                |
| 1958 ..                                        | 29.58        | 29.04          | 12.24        | 10.53             | 244.80     | 210.60                |
| 1959 ..                                        | 29.58        | 28.76          | 12.24        | 10.53             | 244.80     | 210.60                |
| III. Difference in loans, in cents and percent |              |                |              |                   |            |                       |
|                                                | <i>Cents</i> | <i>Percent</i> | <i>Cents</i> | <i>Percent</i>    |            | <i>Percent</i>        |
| 1956 ..                                        | -0.34        | -1             | -0.61        | -5                | -\$12.20   | -5                    |
| 1957 ..                                        | -.24         | -1             | -1.26        | -10               | -25.20     | -10                   |
| 1958 ..                                        | -.54         | -2             | -1.71        | -14               | -34.20     | -14                   |
| 1959 ..                                        | -.82         | -3             | -1.71        | -14               | -34.20     | -14                   |

<sup>1</sup> Assumes 90-percent loans for 1956-58; average farm prices for 1956 for all commodities unchanged from 1955, up 15 percent for 1957, up 20 percent for 1958; and present parity index of costs.

<sup>2</sup> Transitional parity.

<sup>3</sup> Assumes change in loan to new basis as projected by bill, with 2½ cents lower loan due to this change, for cotton. If this change not made, difference in loan rates would be slightly different, with less drop in new parity.

*Income significance of extending old parity formula—comparison of old formula and 1956 transitional prices*

|                     | Unit     | Old formula | Basis Jan. 15, 1956        |            |
|---------------------|----------|-------------|----------------------------|------------|
|                     |          |             | Transitional parity prices | Difference |
| Corn.....           | Bushel.. | \$1.82      | \$1.73                     | \$0.09     |
| Wheat.....          | do.....  | 2.51        | 2.38                       | .13        |
| Peanuts.....        | Pound..  | .136        | .129                       | .007       |
| Cotton, upland..... | do.....  | .3522       | .3484                      | .0038      |

The equivalent farm income loss in 1956 resulting from application of transitional parity prices in 1956 for the several commodities is:

|                     | Unit     | Price cut per unit | Billion units, 1955 production | Equivalent income loss |
|---------------------|----------|--------------------|--------------------------------|------------------------|
|                     |          |                    |                                | Million                |
| Corn.....           | Bushel.. | \$0.09             | 3.2                            | \$288                  |
| Wheat.....          | do.....  | .13                | .9                             | 122                    |
| Peanuts.....        | Pound..  | .007               | 1.6                            | 11                     |
| Cotton, upland..... | do.....  | .0038              | 7.3                            | 28                     |
| Total.....          |          |                    |                                | 449                    |

*Drop in parity prices from old to new formula*

|                     | Unit     | Drop    |         | Old formula | New formula |
|---------------------|----------|---------|---------|-------------|-------------|
|                     |          | Dollars | Percent |             |             |
| Wheat.....          | Bushel.. | \$0.32  | 13      | \$2.51      | \$2.19      |
| Corn.....           | do.....  | .18     | 10      | 1.82        | 1.64        |
| Peanuts.....        | Pound..  | .022    | 16      | .136        | .114        |
| Cotton, upland..... | do.....  | .0038   | 1       | .3522       | .3484       |

NOTE.—Approximately a half-billion dollars of farm family income will be lost in 1956 from operation of transitional parity, as compared with extending old parity formula.

The income loss in 1957 and later years would be greater as the transitional parity prices drop toward the figures calculated by the new parity formula.

#### DAIRYING

Mr. HUMPHREY. Mr. President, increased dairy-farm income provided by the new farm bill, over existing policies results from section 105, which raises the support level for milk for manufacturing purposes from 75 percent of the lower Benson parity equivalent price to 80 percent of the higher pre-Benson parity equivalent price.

Mr. President, too little consideration is given to dairying by the Congress in view of its total importance to our economy, our total farm income, and our health.

Over 2 million farm families in the United States derive all or a major part of their income from dairy cows.

Milk produces more cash farm income than any other farm product.

Dairy products supply 30 percent of the Nation's diet of animal proteins, and



produce 15 percent of total retail food sales.

Dairying provides the greatest single food which contributes to making the United States the best fed Nation on earth. Dollar for dollar, it is the best buy in the housewife's daily food basket.

The dairy industry is the world's largest user of motor trucks.

According to the National Milk Producers Federation, dairying—from producer to consumer—produces 19 percent of the gross national income, or more gross income than any other productive enterprise.

Dairying is vitally important in every State.

It ranks first in producing farm income in Wisconsin, Vermont, Rhode Island, New York, Pennsylvania, and Michigan.

It ranks second in producing farm income in Minnesota, Maine, New Hampshire, Massachusetts, Connecticut, New Jersey, Ohio, Missouri, Delaware, and Maryland.

It ranks third in producing farm income in West Virginia, Kentucky, New Mexico, Utah, Nevada, Washington, and Oregon.

In no State of the Union does it rank lower than sixth as the major producer of farm income.

Is it any wonder that I say we in the Congress certainly cannot do justice to farmers in any farm bill, if we neglect dairying?

Cash receipts from marketing milk and cream have dropped from \$4,566,000,000 in 1952, the last year the Democratic Party was in power in the executive branch of this Government, to \$4,200,000,000 in 1955, a loss of \$366,000,000 out of the pockets of our dairy farmers.

If any of my colleagues are interested in knowing just how much 3 years of Republican Bensonism has cost dairy farmers of their individual States, I will be glad to show them the figures.

There has been so much misleading propaganda about the dairy situation in an attempt to justify what Secretary Benson and his supporters said would happen when he slashed price supports, nobody seems to take the trouble to look at what really did happen.

Let us take a look at where we left off in 1952.

Milk production in 1952 was 114.6 billion pounds. Our estimated population was 157 million people, our total national income was \$289.5 billion.

During that year, under 90 percent supports, we had per capita consumption of milk or its equivalent in other dairy products of 688 pounds per person—and cash receipts from marketing of milk and cream of \$4,566 million.

Now we have just finished 1955 after Eisenhower and Benson have shown us how things should be run.

What do we have?

We have our population up to 165.2 million, a gain of 8.2 million people.

We have our national income up to \$321 billion, a gain of \$31.5 billion more of income out of which people could buy dairy products.

Our dairy farmers produced 123.4 billion pounds of milk, and got only \$4.2

billion for it—with per capita consumption down to 682 pounds of milk or its equivalent per person.

That means our dairy farmers had to produce 8 billion more pounds of milk than in 1952, yet still got \$366 million less income than in 1952.

Yet they are brazen enough to try and tell the dairy farmer he is better off, under lower support prices.

Now, my friends across the aisle will probably object to my making comparisons with the Democratic year, because dairy farmers still had 90 percent of parity, thanks to us Democrats in 1953. Secretary Benson had not quite convinced President Eisenhower to tear up his Kasson speech by that time.

Well, I am glad to make some comparisons with 1953—but once more I want to assure my colleagues that 90 percent of parity under a Democratic administration wanting to make it work is quite a different thing from a 90 percent of parity program under a Republican administration openly trying to prove it unworkable.

Secretary Benson took over at the start of 1953 and started his great crusade of speeches telling farmers they had to expect downward adjustments, and made it clear he was going to seek lower levels for support prices. When he maintained the same support level in April 1953, he made clear he was doing it with great hesitancy and doubted dairy prices should be kept that high.

My friends, our prudent farmers tried what any good businessman would do when confronted with the same circumstances—they tried to make some money while they could, recognizing the Benson handwriting on the wall. They had favorable weather conditions to help them. And they slowed down on culling, because of collapsing prices on beef.

The result was production in 1953 stepped up to 120.1 billion pounds. Yet that year, as Secretary Benson preached about more emphasis on marketing and less on income protection, per capita milk consumption fell to 674 pounds per person—the lowest in our Nation's history.

It is that low figure, reached under Secretary Benson, that our Republican friends now like to use in trying to show some improvement in consumption now. Well, if they push things down far enough they are bound to bounce back a little, I suppose.

However, for purposes of debate, we will accept the comparison between 1953 and now, instead of the comparison between 1952 and the present which I have previously outlined.

We will take them on their own terms, and still prove their arguments have been false and their policies have been a failure.

The dairy industry was the first major segment of agriculture to feel the lowering of the boom on prices under Secretary Benson.

The support level on manufacturing milk was dropped from \$3.74 to \$3.15 per hundredweight on April 1, 1954.

How well I remember that "black Thursday," when farmers mourned around the country as some of us fought

here in the Senate to stave off this deliberate blow at dairy income.

Dairy income had started dropping in 1953, so Secretary Benson, as he has consistently done on other commodities, decided to give it a helping shove downward.

He certainly succeeded.

But what has happened to all the justifications advanced at that time for lowering dairy price supports? What has happened to all the glowing predictions that milk production would drop by lowering the "incentive," that consumptions would greatly increase, and that dairy farmers would be much better off.

Dairying was going to be the great Benson advance experiment, to show that his flexible price support theory worked.

Are they still willing to rest their case on dairying, when it comes to the use of lower price supports as a means of curtailing production?

Now let us really face these facts. I am tired and sick of hearing Benson and others talk in generalities about 90 percent of parity being an incentive to overproduction, and his lower support levels helping to keep down production.

So they cut dairy price supports, cut them all the way to 75 percent of parity.

What did farmers do? They milked more cows, and produced more milk, to try and break even on their fixed overhead costs, even if they got less total income from the bigger production than they had before.

Secretary Benson may have these theories all worked out fine on paper, and they may look good. But he better remember there is a human element that enters into whether or not these theories work as planned.

The idea was supposed to be that lower milk prices would result in farmers shifting to other commodities.

As a practical matter, most dairy farmers had little opportunity to switch from production of milk to other commodities. They had their investment in dairy facilities, and had to do the best they could to offset lower unit prices by higher volume.

Sure, many of them realized the industry as a whole would be better off with less total production. But that does not solve the problem of each individual facing certain bills to pay. In many cases, dairy farmers' creditors would not permit them to decrease production.

As a result many were caught on this treadmill of having to increase production to make up for lower prices, only to have the increased production force prices down still further.

And it has not ended.

Production was at 120.1 billion pounds when Secretary Benson started taking away income in the hope of cutting production. It went up to 122 billion pounds in 1954. It went up to 124.5 billion pounds in 1955. And the Department of Agriculture itself now predicts a total milk production in excess of 126 billion pounds for 1956.

That will mean a five billion pound annual increase in production, since



Secretary Benson introduced a new policy to curb production.

Can anybody argue any longer that Secretary Benson was right, as far as effect on production was concerned? The facts are there to prove otherwise.

Lower prices did not decrease milk production. Lower prices were an incentive to increasing milk production.

I just hope that sinks in deep enough so some of our friends in the press will not be quite so reckless about continuing to bite on the false assumption that higher price supports are automatically an incentive to increased production, and lower support levels are designed to curb surpluses. The facts prove otherwise.

Now that we have buried that ghost of lower prices supposedly curbing milk production, let us look at what else they were supposed to be.

The possibilities of expanding outlets for dairy products in foreign markets were not improved when the support prices were reduced. A butter price of 58½ cents, for instance, is no more competitive than a price of 66½ cents f. o. b. New York, when sales are to be made in the world market where butter is sold at prices ranging from 37 to 41 cents per pound, and most of that under bilateral trade agreements.

Nor were per capita sales expanded in the domestic market, as had been predicted.

In 1952, as I have mentioned, domestic per capita sales of milk and dairy products were 688 pounds.

In 1953, per capita sales declined 2 percent to 674 pounds.

Since 1953, we have recouped about half this loss. Compared to 1953, consumers in 1955 increased their per capita purchases of dairy products by 1 percent.

Now, I am not even willing to give Secretary Benson's lower price policies credit for that 1 percent gain from our lowest per capita consumption in history.

The credit goes to the dairy industry itself, through more vigorous sales promotion.

Dairy farmers, despite drastically falling income, set aside \$4 million of their own funds in 1954, and \$5 million in 1955 for sales promotion and advertising campaigns to increase consumption.

An aggressive sales campaign has been carried on by dairymen themselves through the American Dairy Association, spending double what they spent in 1952 in a desperate bid to stimulate consumption.

Now, I happen to think that has helped. I would hate to think it had not.

Secretary Benson has agreed farmers should do more of such self-help promotion. He has praised the ADA program.

Now, is he willing to give the millions spent by dairy farmers themselves credit for that little 1 percent boost in consumption since 1953, or does he contend none of that advertising helped—that it was his action in lowering price supports that brought about a very slight regaining of lost ground in per capita consumption?

If my Republican colleagues intend arguing this dairy consumption issue, I would be glad to have them answer that question.

For my part, it was the efforts of the dairymen, not the efforts of Benson, that brought whatever increase we were able to get in consumption.

Sometimes the public is a bit misled about dairy figures, when they see announcements about how much more total disappearance of dairy products there has been in the last year.

That is right. Actually, total domestic use of dairy products was 7.9 billion pounds greater in 1955 than in 1953. But that is only half of the story.

Increased population accounted for 4.2 billion pounds of that amount, and the special school-milk program, domestic donations to charitable institutions, and Government disposal sales at reduced prices accounted for another 2.4 billion pounds.

That leaves only 1.3 billion pounds of increase in real purchases, the 1 percent gain in per capita purchases I have been talking about.

We certainly welcome special disposition efforts like donations, for relief purposes at home and abroad, and these and other efforts to move milk and dairy products at less than full market prices have melted the visible stocks of dairy products.

But consumption caused by population gains and by giveaway programs at home and abroad were not the results of low prices paid to farmers for their milk. It is elemental, then, that this consumption should not be used to prove that low prices solved the dairy problem.

Not only have the consumption trends in the industry been misinterpreted, but there also has been confusion in the minds of many regarding the economic position of dairy farmers when compared to other segments of the agricultural economy.

It is because of a hocus-pocus way of showing that the dairy farmer is better off, without him getting any more income.

For example, they say that while dairy product prices were dropped to 75 percent of parity April 1, 1954, that the price of manufacturing milk actually paid farmers in 1955 represented 81 percent of parity, and that the price of all milk sold wholesale was 86 percent of parity.

These figures are not very comforting to dairy farmers, who realize that their price level has not advanced at all—and that their supposed improved position is just a statistical illusion resulting from an administrative change in the formula used by the Department of Agriculture for computing the parity equivalent price of manufacturing milk. That is one of the gimmicks we are correcting in the dairy section of this bill.

Contrary to many of the claims that have been advanced, the dairy situation proves the failure of trying to correct either production or income problems by lowering support prices.

We are trying to reverse that trend on this bill. Not as far as I would like

to see, but a step in the right direction. It is a moderate change, to avoid the kind of sharp disruption in the market caused when Benson abruptly dropped prices from 90 percent of parity to 75 percent.

All we ask is lifting the support minimum to 80 percent. Yet it will mean \$121 million more income to our dairy farmers.

Instead of stimulating production, it will allow our dairy farmers to exist without having to step up production to pay current living costs.

While dairy farmers have not yet evolved the type of production control methods more readily adaptable to other commodities getting higher levels of price support, they are still doing their part to help themselves, through such activities as the millions they are contributing to dairy product advertising by the American Dairy Association.

They are working on other self-help approaches. They want to cooperate in getting the dairy industry back on a sound footing. They are willing to do their part. But they need help now—they need a decent income to survive.

Give them a chance to make a decent return on less production, and more of them will step up their culling programs.

Dairy groups have consistently supported other commodity groups in working for good general farm legislation. They feel they have a right to ask for cooperation in return.

It was my privilege to offer the amendment in committee adding this dairy section to our bill. It should stay in the bill. Dairymen are entitled to it, after the beating they have taken for the past 2 years.

#### SOIL BANK

Mr. President, more has been heard about the soil bank than any other part of this bill—and I regret to say much of it has been far too misleading, to farmers and nonfarmers alike.

As now written, the soil bank portion of the act consists of two distinct sections.

The first section is the Eisenhower-Benson acreage reserve proposal for the sole purpose of cutting production to less than our annual need.

The second section is the longer-range conservation reserve idea which I originally proposed in this chamber, and which most farmers thought soil bank meant until the administration borrowed the popular name to inject a new purpose.

Let me make one thing clear at the very outset:

Neither section adds anything to farm income this year, nor was intended to—despite administration efforts to make it appear as an added income program.

The original soil bank idea was to provide rental payment incentives of some form to take diverted acres, beyond allotments, out of competing production and devote them to soil-conserving practices.

It was designed to encourage greater compliance with production allotments by incentive rather than penalty, and



to preserve the fertility of unused and unneeded soil resources for future demand as our population grows.

That was the objective of my legislation introduced a year ago under the title "Conservation Acreage Reserve"—and opposed by this administration as late as last October.

It was aimed at meeting the long-felt need for strengthening our farm production by providing an incentive for wiser use of our diverted acres—to put them into conservation practices, instead of into additional competing cash crops.

Yet the whole idea was to gear our agricultural plant down to our actual annual needs, for domestic, export, and safety reserve purposes—not to cut our producing plant far below that figure.

The original objective is preserved in the second portion of the Soil Bank Act, preserved and improved by broadening the conservation objectives to include more emphasis on forestry, water, and wildlife conservation as well as soil conservation.

But the cart is put somewhat before the horse in this bill, through the earmarking of most of the funds made available for an entirely different purpose in the first section of the bill.

Under the administration's recommendations accepted by the committee in this first portion, farmers are called upon to make still further reductions within their allotments, cutting our producing plant below our annual needs in the hope of using up more of our reserves.

The bill seeks to encourage farmers not to plant acres they would otherwise be entitled to plant, in return for payments based on about 50 percent of parity for the average production that would have been produced.

These are larger payments than allowed under the longer-range conservation reserve, on the ground that more productive land may be involved.

Both portions of the soil bank aim at adjustment of our production downward.

The difference is this:

The conservation reserve aims at reducing it only to the level of our annual needs.

The acreage reserve calls for cutting it below our annual needs.

Let me emphasize once more, that any funds provided farmers under this soil bank is in no sense added farm income.

Both portions of the soil bank provide only partially replaced income, for income farmers would otherwise receive from crops grown on either the acreage reserve or the conservation reserve.

It is misleading, and wrong, to infer that the billion dollars authorized means any additional income to farmers.

It is misleading for the advertising campaign sponsored by the National Republican Senatorial and Congressional committees to indicate that this is the answer to all the farmer's troubles, and that "hundreds of millions of dollars in payments to farmers can be made this year under the soil-bank plan alone if passage is not delayed."

Such statements appear to nonfarm people that we are giving quite a hand-out to our hard pressed farmers.

Why does not the Republican campaign committees tell the truth—that they are offering to give back part of what they ask the farmer not to produce, so they can find an easy way to get rid of the surplus stocks they themselves have accumulated through bad administration of poor policies?

The public should be told that this is just replacement income, not additional income.

They should know it is no different than telling a workingman, in a period of unemployment, that he should layoff several days a week and go on unemployment compensation so some others can earn some money.

Sure, they would be getting Government assistance through unemployment compensation—but less than they would earn through their own efforts if they could work full time.

It is time we were honest about what we are doing. Instead of aiding farm income, by the first portion of the soil bank we are just providing another way of financing surplus disposal by shrinking our production plant below normal annual needs.

Because the administration has asked for that authority, the Senate Committee on Agriculture has provided it. It has given the President all the authority he asked for in the soil bank, despite some doubts as to how the administration's key portion of the bill will work.

But in doing so, we tried to protect farmers' income and encourage farmer participation by raising support levels so as to provide a fair price on the more limited amount of commodities that farmers will be able to grow.

It is absurd for administration spokesmen to contend that a decent price for the smaller amount a farmer is permitted to produce works contrary to the objectives of the soil bank.

The truth is just the opposite.

Without an opportunity to earn a decent income on his more limited acres, the average farmer just cannot afford the luxury of going into the Government's new production control scheme.

If you want the soil bank to work at all, the best assurance you can provide is to maintain prices of the products the farmer raises on the rest of his acreage at decent, fair levels—levels not less than 90 percent of parity.

I have noted considerable sentiment growing for abolishing the first part of the soil bank, and putting the entire emphasis and funds upon the conservation reserve section of the bill. There are strong indications the House Agriculture Committee may yet insist upon that approach. Personally, I feel it would be a wiser approach. It is always a calculated risk to cut our producing plant below annual needs, perhaps facing us with the necessity 5 years from now of suddenly calling upon farmers to double their production.

However, I have gone along on the administration's request on one premise: that I am willing to let them try their new production control scheme if they

are willing to let farmers have decent prices on the rest of their production.

I regret that the administration has not been as willing to compromise. It insists in having things all its own way, or not at all. It wants the soil bank alone, without any price or income protection.

I want to voice a warning to be remembered by this body. In view of the bipartisan cooperation of this body to develop and pass a compromise farm bill containing both some of the administration's ideas and our own improvements, farmers of this country are going to place the burden squarely upon the shoulders of the Eisenhower administration if the full measure is not allowed to be signed into law.

The record on this soil bank program would not be complete without recounting what the administration really tried to do.

When the administration suddenly blossomed overnight with its acreage reserve idea of cutting production, it thought it had uncorked some great magic—how to make the farmer think he had a farm program, and still not spend any money.

From long experience, I have learned to read the fine print in anything Republicans offer.

We accepted with a grain of salt all the glowing phrases and generalities administration messages contained about its farm program.

We wanted to see the legislative language.

We look at that language carefully, more carefully, apparently, than did even the Republican sponsors who attached their names to it.

Yes, we found what we were looking for—the joker in the deck, the joker usually found buried in any Republican deal.

An innocent-appearing section of the administration's original proposal called for financing the soil bank by dumping surplus commodities on the market and selling them at any price they would bring—underselling the rest of the farmers' production, and forcing all farm prices still further down.

That was the administration's masterpiece of no-cost farm program—what Secretary Benson still talks about when he says he wants to "use the surplus to get rid of the surplus."

Mr. President, if that section had prevailed, all of the market would have been taken over by the Government—and the Government, in turn, would then have to take over all the farmers' production under loan because of the prices it had depressed below support levels. It would have been a vicious cycle of perpetuating surpluses, rather than getting rid of surpluses, and perpetuating lower farm prices. It would have destroyed the free market operations entirely, and further depressed farm income.

It is amazing to see such a brazen scheme unwrapped and slipped up here quietly by an administration supposedly dedicated to preserving the free market and free enterprise. I do not know of a single free market trader who could not take one look at that section and



say, "Oho, the Government wants to take over the market, and force the farmer out of it."

Fortunately, after I exposed this "joker in the deck" even the Republican sponsors of the Eisenhower-Benson farm program, one by one, repudiated this portion of it—really, the heart of it.

And Secretary Benson, after he no longer had any sponsors willing to stand up for his rash proposal, very graciously decided he was against it, too—now.

That is what Secretary Benson tried to slip over on this Congress. That is what the Eisenhower administration cooked up to get a farm program without paying the bill, just making the farmer pay the bill.

Yet the Republican Campaign Committee says it wants to help pass the Eisenhower farm program.

Is this the section they want enacted?

Is this the scheme they would like to put back in the bill?

When some of my letter writers ask me to support the Eisenhower farm program, I am going to take considerable delight in letting them know just what the Eisenhower administration really tried to slip over on us. Oh, they do not mention these things in those fancy advertisements. When you are selling soap, you talk about the nice fragrance; you do not mention the messy ingredients that may have gone into it before it was packaged for the public to see.

Mr. President, our Senate committee made some significant improvements in the soil-bank bill that I feel should not be overlooked in this discussion.

We endeavored to put a truly broad definition on conservation in developing the soil bank, expanding the purposes of the program to cover all soil, water, wildlife, or forest conserving uses.

I am convinced this is a more significant step forward than some may realize, correlating our agricultural conservation efforts with all of our other great resource-conservation objectives.

Conservationists of the country have already hailed these improvements we made in the administration draft.

Dr. Spencer M. Smith, secretary of the Citizens Committee on Natural Resources, has called me to express the

appreciation of his organization for the improvements we made in the bill to promote the causes of conservation.

Charles H. Callison, conservation director of the National Wildlife Federation, in testimony submitted to the House Committee on Agriculture on February 22, declared:

We are pleased that the authorizing language of S. 3183 is broad enough to permit a conservation program that is truly comprehensive. We endorse the language that provides for practices to conserve and manage the timber and wildlife resources along with the soil and water.

Forestry and wildlife management practices will not add to any crop surpluses, but they can produce supplementary cash income on many farms.

Mr. President, I shall conclude my remarks for this evening at this point. When I obtain the floor again I shall direct my attention to some of the amendments which I have submitted, along with concluding comments on the proper and appropriate use of our so-called surplus commodities.

It is my intention tomorrow to bring to the attention of the Senate proposals for the use of food and fiber supplies which have been before the Department of Agriculture and have been recommended by technical experts, but which have never so much as seen the light of day in terms of public policy, or by way of suggesting a public policy.

If the Department of Agriculture does not listen to its advisers, I am perfectly willing to give it the benefit of the messages which come to me. Apparently the Secretary of Agriculture is kept too busy going to Des Moines and St. Paul and San Francisco and New Orleans and to other cities to speak on great political issues. Apparently everyone in the White House is so busy that no one has any time to get these advisory reports. Therefore I shall bring to the attention of the Senate some good, sound advice which has been presented on occasion.

Since certain people have been called upon by our Government to give of their valuable time and services, at least we should have their recommendations called to the attention of Congress. It will be my intention to do so.

## RECESS

The PRESIDING OFFICER. What is the pleasure of the Senate?

MR. HUMPHREY. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 9 o'clock and 39 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, March 7, 1956, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate March 6, 1956:

### GOVERNOR OF THE CANAL ZONE

Brig. Gen. William E. Potter, Corps of Engineers, O17098, for appointment as Governor of the Canal Zone, under the provisions of section 6, chapter 1, title 2, of the Canal Zone Code, vice Maj. Gen. John S. Seybold, United States Army, retired.

### IN THE NAVY

Having designated, in accordance with the provisions of section 413 (a) of the Officer Personnel Act of 1947, Rear Adm. Walter F. Boone, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of admiral while so serving.

Having designated, in accordance with the provisions of section 413 (a) of the Officer Personnel Act of 1947, Rear Adm. Robert L. Dennison, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of vice admiral while so serving.

Adm. John H. Cassady, United States Navy, when retired, to be placed on the retired list with the rank of admiral.

## CONFIRMATIONS

Executive nominations confirmed by the Senate March 6, 1956:

### UNITED STATES DISTRICT JUDGES

Richard H. Levet, of New York, to be United States district judge for the southern district of New York.

Justin C. Morgan, of New York, to be United States district judge for the western district of New York.



# House of Representatives

TUESDAY, MARCH 6, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Holy Spirit of the living God, may our character and conduct this day come under the influence of Thy gracious ministry, elevating and charging us with courage and power and making us serene and trustful.

Kindle within our minds and hearts those impulses and desires which are pure and holy and those attitudes toward our fellow men which are kind and sympathetic.

May there be among all the members of the human family a sense of spiritual kinship and brotherhood, inspiring them to seek one another's welfare and to break down every superficial manmade barrier.

Show us how we may be partners with Thee in the glorious enterprise of bringing in the day of peace and good will.

In Christ's name we offer our petition. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## CORRECTION OF RECORD

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent that the permanent RECORD of February 29 be corrected. On page 3190, there was an error in the placing of quotation marks in the statement attributed to Business Week which was made in the speech by me.

The statement taken from Business Week should read as follows:

For Westinghouse customers, as well as for the company itself, time is running out.

Dealers and manufacturers are getting only a trickle of appliances and small capital goods from Westinghouse. Cancellations by industrial customers has reached serious proportions only in the last month but this is increasing every day the strike continues.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## POSTAL FIELD SERVICE

(Mr. DAVIS of Georgia asked and was given permission to address the House for 1 minute.)

Mr. DAVIS of Georgia. Mr. Speaker, I have today introduced a bill which will authorize the appointment of regular substitutes in the postal field service by selection from temporary substitutes who have performed duties satisfactorily on not less than one-half the workdays in 2 consecutive years after having been selected from a register of eligible applicants.

Public Law 380, enacted by this Congress, provides for the granting of competitive status to indefinite employees who meet certain requirements. The postal field service was excepted from this law due to peculiarities in the laws, rules, and regulations pertaining to appointments and advancements in the postal service.

One such peculiarity pertains to the practice of open continuous examinations held by the Civil Service Commission for clerks and carriers. Through this practice an applicant who has passed the examination is placed on the register and may be selected for a temporary substitute appointment. Others who have failed may take the examination again and again until they have passed. Once an applicant has passed the examination he is not allowed to take it again so as to better his grade. New applicants who pass the open continuous examination are placed in position on the register in accordance with their grade. These activities result in a continual change in an individual's standing on the register.

Another peculiarity has to do with the selection of an individual for appointment as regular substitute with competitive status. At present the selection is made from the register existing at the time of appointment. Thus a temporary substitute who has served satisfactorily for a period of years may be passed over due to the fact that others, with no job experience, have taken or retaken the open continuous examination and received a grade which placed them higher on the register. There are other such peculiarities which create injustices.

My bill will authorize the Post Office Department to give recognition to the temporary substitute who has performed satisfactorily and grant him a competitive appointment without recourse to the register for a second time. It will correct many of the inequities and injustices and bring the postal field service more closely into alignment with the benefits provided for other Federal employees by Public Law 380.

(Mr. SIEMINSKI asked and was given permission to address the House for 1 minute.)

(Mr. SIEMINSKI addressed the House. His remarks will appear hereafter in the Appendix.)

## COMMUNIST PARTY URGES ALL-OUT UNITED STATES FOREIGN AID—WHY?

(Mr. SMITH of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

(Mr. SMITH of Wisconsin addressed the House. His remarks appear in the Appendix of today's RECORD.)

## REPUBLICAN NATIONAL WOMEN'S CONFERENCE

(Mrs. FRANCES P. BOLTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FRANCES P. BOLTON. Mr. Speaker, this morning has been a very thrilling one to the Republican women of this country. There are gathered here in conference several thousand women who have come all the way from Alaska and the four corners of the country. They are getting information, stimulation, and challenge from the party here. They are giving to the Republicans in government a challenge and a stimulus that is quite wonderful.

This morning we were gathered in the presidential room of the Statler Hotel when, at 10:30, to the amazement of everybody and to their utter delight, the President appeared happy, gay, color in cheeks, thrillingly alive. He welcomed us with his rare understanding, expressing his appreciation of the work done by women in the last election. Then in a few simple sentences he gave us his sense of what a political party is. As I did not take down his words with complete certainty, I give you a careful paraphrase of them: "A political party must be based upon strong moral and spiritual values, otherwise it is a conspiracy."

The response of the delegates—several thousand of them—was immediate and heartfelt. It was a rare moment of understanding, Mr. Speaker—one which every woman there will never forget.

## APPRECIATION

(Mr. JENKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JENKINS. Mr. Speaker, all over the country primary elections are soon to be held to nominate candidates for county and State offices and for United States Representatives and Senators. In Ohio the primary election will be held on May 8. The time for filing petitions closed on February 8.

In our congressional district, which comprises eight counties, no Democrat filed as a candidate for Representative to Congress. That is a very unusual situation. So far as I know this never happened before in our congressional district.

I would like to think the people of my district, including the Democrats, are pleased with my efforts to be of service to them and that the Democrats did not



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